# Overstrand Municipality

Financial statements
for the year ended 30 June 2014

**OVERSTRAND MUNICIPALITY**
**ANNUAL FINANCIAL STATEMENTS**

**for the year ended 30 June 2014**

## APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 81, in terms of Section 126(1)(a) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in the notes of these annual financial statement are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

**OC GROENEWALD**
**MUNICIPAL MANAGER**

26 November 2014

# Overstrand Municipality
Financial Statements for the year ended 30 June 2014

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## Statement of Financial Position as at 30 June 2014

| Figures in Rand | Note(s) | 2014 | 2013 Restated* |
|---|---|---|---|
| **Assets** | | | |
| **Current Assets** | | | |
| Inventories | 11 | 13,136,770 | 20,256,723 |
| Operating lease asset | | 761,954 | 850,640 |
| Receivables from exchange transactions | 12 | 26,406,569 | 26,775,540 |
| Receivables from non-exchange transactions | 13 | 18,600,652 | 16,248,647 |
| VAT receivable | 14 | 5,934,940 | 8,346,728 |
| Consumer debtors | 15 | 47,450,936 | 49,025,188 |
| Long term receivables | 10 | 14,785 | 17,432 |
| Cash and cash equivalents | 16 | 63,158,415 | 84,147,296 |
| | | **175,465,021** | **205,668,194** |
| **Non-Current Assets** | | | |
| Investment property | 4 | 164,500,500 | 175,866,200 |
| Property, plant and equipment | 5 | 3,011,484,327 | 2,997,546,807 |
| Intangible assets | 6 | 5,220,007 | 4,448,587 |
| Heritage assets | 7 | 99,571,975 | 99,573,044 |
| Investments | 8 | 16,965,036 | 11,596,590 |
| Long term receivables | 10 | 68,205 | 83,571 |
| | | **3,297,810,050** | **3,289,114,799** |
| Non-current assets held for sale | 17 | 4,301,069 | 1,025,005 |
| **Total Assets** | | **3,477,576,140** | **3,495,807,998** |
| **Liabilities** | | | |
| **Current Liabilities** | | | |
| Borrowings | 20 | 20,380,859 | 17,756,093 |
| Finance lease obligation | 18 | 62,622 | 484,773 |
| Payables from exchange transactions | 22 | 61,517,718 | 71,705,571 |
| Consumer deposits | 23 | 37,750,995 | 34,932,021 |
| Employee benefit obligation | 9 | 2,173,716 | 2,033,000 |
| Unspent conditional grants and receipts | 19 | 3,425,499 | 7,783,323 |
| Provisions | 21 | 23,489,724 | 25,636,521 |
| | | **148,801,133** | **160,331,302** |
| **Non-Current Liabilities** | | | |
| Borrowings | 20 | 392,443,635 | 364,394,191 |
| Finance lease obligation | 18 | - | 237,664 |
| Employee benefit obligation | 9 | 95,534,792 | 79,887,000 |
| Provisions | 21 | 32,991,999 | 39,431,887 |
| | | **520,970,426** | **483,950,742** |
| **Total Liabilities** | | **669,771,559** | **644,282,044** |
| **Net Assets** | | **2,807,804,581** | **2,851,525,954** |
| **Reserves** | | | |
| Housing development fund | | 2,564,844 | 1,891,493 |
| Accumulated surplus | | 2,805,239,737 | 2,849,634,461 |
| **Total Net Assets** | | **2,807,804,581** | **2,851,525,954** |

* See Note 47

## Statement of Financial Performance

| Figures in Rand | Note(s) | 2014 | 2013 Restated* |
|---|---|---|---|
| **Revenue** | | | |
| **Revenue from exchange transactions** | | | |
| Service charges | 25 | 479,252,517 | 436,438,766 |
| Rental of facilities and equipment | | 7,590,838 | 7,211,811 |
| Income from agency services | | 2,394,759 | 2,025,238 |
| Licences and permits | | 1,955,766 | 1,968,301 |
| Other income | 28 | 16,630,507 | 18,009,140 |
| Interest received | 34 | 8,470,109 | 9,753,672 |
| **Total revenue from exchange transactions** | | **516,294,496** | **475,406,928** |
| **Revenue from non-exchange transactions** | | | |
| **Taxation revenue** | | | |
| Property rates | 24 | 134,812,632 | 120,798,946 |
| Property rates - penalties imposed | 24 | 820,635 | 772,203 |
| **Transfer revenue** | | | |
| Government grants and subsidies | 26 | 105,925,162 | 95,488,947 |
| Public contributions and donations | 27 | 13,436,150 | 6,609,119 |
| Fines | 13 | 22,739,348 | 14,244,131 |
| **Total revenue from non-exchange transactions** | | **277,733,927** | **237,913,346** |
| **Total revenue** | | **794,028,423** | **713,320,274** |
| **Expenditure** | | | |
| Employee costs | 31 | (260,644,836) | (231,641,558) |
| Remuneration of councillors | 32 | (7,932,511) | (7,084,131) |
| Depreciation and amortisation | 36 | (99,360,930) | (95,183,487) |
| Impairment loss / Reversal of impairments | 37 | - | (9,224,060) |
| Finance costs | 38 | (39,927,311) | (37,331,465) |
| Debt impairment | 33 | (12,525,633) | (6,688,318) |
| Materials | | (13,594,529) | (12,440,774) |
| Bulk purchases | 42 | (157,055,063) | (145,021,600) |
| Contracted services | 40 | (72,754,121) | (67,697,215) |
| Grants and subsidies paid | 41 | (38,749,289) | (35,856,345) |
| General expenses | 29 | (117,460,188) | (102,145,948) |
| **Total expenditure** | | **(820,004,411)** | **(750,314,901)** |
| **Operating surplus / (deficit)** | 30 | **(25,975,988)** | **(36,994,627)** |
| Loss on disposal of assets and liabilities | | (12,017,434) | (1,755,579) |
| Fair value adjustments | 35 | (7,021,105) | 49,648,749 |
| | | **(19,038,539)** | **47,893,170** |
| **(Deficit) / surplus for the year** | | **(45,014,527)** | **10,898,543** |

* See Note 47

## Statement of Changes in Net Assets

| Figures in Rand | Housing development fund | Accumulated surplus | Total net assets |
|---|---|---|---|
| Opening balance at 01 July 2012 as previously reported | 1,919,828 | 2,847,332,211 | 2,849,252,039 |
| Adjustments | | | |
| Prior year adjustments | - | (9,929,327) | (9,929,327) |
| **Balance at 01 July 2012 restated*** | **1,919,828** | **2,837,402,884** | **2,839,322,712** |
| Changes in net assets | | | |
| (Deficit) / surplus for the year | - | 10,898,543 | 10,898,543 |
| Transfer to / (from) housing development fund | (28,335) | - | (28,335) |
| Transfer to / (from) self insurance fund | - | 1,333,034 | 1,333,034 |
| Total changes | (28,335) | 12,231,577 | 12,203,242 |
| Opening balance at 01 July 2013 as previously reported | 1,891,493 | 2,855,854,062 | 2,857,745,555 |
| Adjustments | | | |
| Prior year adjustments | - | (6,219,606) | (6,219,606) |
| **Balance at 01 July 2013 restated*** | **1,891,493** | **2,849,634,456** | **2,851,525,949** |
| Changes in net assets | | | |
| (Deficit) / surplus for the year | - | (45,014,527) | (45,014,527) |
| Transfer to / (from) housing development fund | 673,351 | - | 673,351 |
| Transfer to / (from) self insurance fund | - | 619,808 | 619,808 |
| Total changes | 673,351 | (44,394,719) | (43,721,368) |
| **Balance at 30 June 2014** | **2,564,844** | **2,805,239,737** | **2,807,804,581** |

* See Note 47

## Cash Flow Statement

| Figures in Rand | Note(s) | 2014 | 2013 Restated* |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Receipts** | | | |
| Taxation | | 135,054,434 | 120,273,420 |
| Sale of goods and services | | 485,985,953 | 440,786,982 |
| Grants | | 101,567,337 | 98,716,792 |
| Interest income | | 8,470,109 | 9,753,672 |
| Other receipts | | 63,503,431 | 40,384,446 |
| Movement in housing development fund and self insurance fund | | 1,293,159 | 1,304,700 |
| | | 795,874,423 | 711,220,012 |
| **Payments** | | | |
| Employee costs | | (244,856,328) | (223,226,558) |
| Suppliers | | (157,055,063) | (145,021,600) |
| Finance costs | | (39,857,502) | (37,198,618) |
| Other payments | | (274,670,862) | (226,127,677) |
| | | (716,439,755) | (631,574,453) |
| **Net cash flows from operating activities** | 43 | **79,434,668** | **79,645,559** |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | 5 | (128,735,039) | (141,545,358) |
| Proceeds from sale of property, plant and equipment | 5 | 5,072,932 | 1,669,546 |
| Purchase of investment property | 4 | (795,000) | (945,000) |
| Proceeds from sale of investment property | 4 | - | 55,000 |
| Purchase of other intangible assets | 6 | (1,400,190) | (1,273,858) |
| Movement in financial assets | | (4,528,851) | (4,960,000) |
| Movement in long term receivables | | 18,013 | 45,067 |
| **Net cash flows from investing activities** | | **(130,368,135)** | **(146,954,603)** |
| **Cash flows from financing activities** | | | |
| Movement in other financial liabilities | | 30,674,210 | 25,146,011 |
| Movement in finance leases | | (729,624) | (389,138) |
| **Net cash flows from financing activities** | | **29,944,586** | **24,756,873** |
| **Net increase/(decrease) in cash and cash equivalents** | | **(20,988,881)** | **(42,552,171)** |
| Cash and cash equivalents at the beginning of the year | | 84,147,296 | 126,699,467 |
| **Cash and cash equivalents at the end of the year** | 16 | **63,158,415** | **84,147,296** |

* See Note 47

# Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| Figures in Rand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Note reference |
|---|---|---|---|---|---|---|
| **Statement of Financial Performance** | | | | | | |
| **Revenue** | | | | | | |
| **Revenue from exchange transactions** | | | | | | |
| Service charges | 497,428,900 | (3,589,360) | **493,839,540** | 479,252,517 | **(14,587,023)** | 57 |
| Rental of facilities and equipment | 8,550,800 | - | **8,550,800** | 7,590,838 | **(959,962)** | 57 |
| Income from agency services | 2,250,000 | 4,500 | **2,254,500** | 2,394,759 | **140,259** | 57 |
| Licences and permits | 2,046,000 | - | **2,046,000** | 1,955,766 | **(90,234)** | 57 |
| Other income | 15,249,200 | (380,993) | **14,868,207** | 16,630,507 | **1,762,300** | 57 |
| Interest received | 9,918,000 | (696,436) | **9,221,564** | 8,470,109 | **(751,455)** | 57 |
| **Total revenue from exchange transactions** | **535,442,900** | **(4,662,289)** | **530,780,611** | **516,294,496** | **(14,486,115)** | |
| **Revenue from non-exchange transactions** | | | | | | |
| **Taxation revenue** | | | | | | |
| Property rates | 131,155,600 | - | **131,155,600** | 134,812,632 | **3,657,032** | 57 |
| Property rates - penalties imposed | 1,000,000 | - | **1,000,000** | 820,635 | **(179,365)** | 57 |
| Government grants and subsidies | 108,411,494 | 3,495,975 | **111,907,469** | 105,925,162 | **(5,982,307)** | 57 |
| **Transfer revenue** | | | | | | |
| Public contributions and donations | 3,923,088 | (229,834) | **3,693,254** | 13,436,150 | **9,742,896** | 57 |
| Fines | 6,078,800 | 1,450,000 | **7,528,800** | 22,739,348 | **15,210,548** | 57 |
| **Total revenue from non-exchange transactions** | **250,568,982** | **4,716,141** | **255,285,123** | **277,733,927** | **22,448,804** | |
| **Total revenue** | **786,011,882** | **53,852** | **786,065,734** | **794,028,423** | **7,962,689** | |
| **Expenditure** | | | | | | |
| Employee costs | (250,842,008) | (1,612,324) | **(252,454,332)** | (260,644,836) | **(8,190,504)** | 57 |
| Remuneration of councillors | (7,576,965) | (400,827) | **(7,977,792)** | (7,932,511) | **45,281** | 57 |
| Depreciation and amortisation | (103,809,910) | 1,740,102 | **(102,069,808)** | (99,360,930) | **2,708,878** | 57 |
| Finance costs | (42,291,500) | - | **(42,291,500)** | (39,927,311) | **2,364,189** | 57 |
| Debt impairment | - | - | **-** | (12,525,633) | **(12,525,633)** | |
| Materials | (15,054,500) | 579,274 | **(14,475,226)** | (13,594,529) | **880,697** | 57 |
| Bulk purchases | (156,892,800) | - | **(156,892,800)** | (157,055,063) | **(162,263)** | 57 |
| Contracted services | (74,836,966) | (1,969,110) | **(76,806,076)** | (72,754,121) | **4,051,955** | 57 |
| Grants and subsidies paid | (38,766,000) | (451,300) | **(39,217,300)** | (38,749,289) | **468,011** | 57 |
| General expenses | (133,988,525) | (1,317,659) | **(135,306,184)** | (117,460,188) | **17,845,996** | 57 |
| **Total expenditure** | **(824,059,174)** | **(3,431,844)** | **(827,491,018)** | **(820,004,411)** | **7,486,607** | |
| **Operating deficit** | **(38,047,292)** | **(3,377,992)** | **(41,425,284)** | **(25,975,988)** | **15,449,296** | |
| Loss on disposal of assets and liabilities | 100,000 | 383,000 | **483,000** | (12,017,434) | **(12,500,434)** | 57 |
| Fair value adjustments | - | 750,000 | **750,000** | (7,021,105) | **(7,771,105)** | 57 |
| | **100,000** | **1,133,000** | **1,233,000** | **(19,038,539)** | **(20,271,539)** | |
| **Deficit before taxation** | **(37,947,292)** | **(2,244,992)** | **(40,192,284)** | **(45,014,527)** | **(4,822,243)** | |
| **Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement** | **(37,947,292)** | **(2,244,992)** | **(40,192,284)** | **(45,014,527)** | **(4,822,243)** | |

# Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| Figures in Rand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Note reference |
|---|---|---|---|---|---|---|
| **Statement of Financial Position** | | | | | | |
| **Assets** | | | | | | |
| **Current Assets** | | | | | | |
| Inventories | 7,486,288 | 4,141,600 | **11,627,888** | 13,136,770 | **1,508,882** | 57 |
| Operating lease asset | - | - | **-** | 761,954 | **761,954** | 57 |
| Receivables from exchange transactions | 40,769,317 | 4,617,000 | **45,386,317** | 26,406,569 | **(18,979,748)** | 57 |
| Receivables from non-exchange transactions | - | - | **-** | 18,600,652 | **18,600,652** | 57 |
| VAT receivable | - | - | **-** | 5,934,940 | **5,934,940** | |
| Consumer debtors | 50,826,051 | - | **50,826,051** | 47,450,936 | **(3,375,115)** | 57 |
| Long term receivables | 13,534 | - | **13,534** | 14,785 | **1,251** | 57 |
| Cash and cash equivalents | 84,406,046 | - | **84,406,046** | 63,158,415 | **(21,247,631)** | 57 |
| | **183,501,236** | **8,758,600** | **192,259,836** | **175,465,021** | **(16,794,815)** | |
| **Non-Current Assets** | | | | | | |
| Investment property | 87,289,228 | 88,576,972 | **175,866,200** | 164,500,500 | **(11,365,700)** | 57 |
| Property, plant and equipment | 3,080,474,281 | 8,685,059 | **3,089,159,340** | 3,011,484,327 | **(77,675,013)** | 57 |
| Intangible assets | 4,042,957 | 405,630 | **4,448,587** | 5,220,007 | **771,420** | 57 |
| Heritage assets | - | - | **-** | 99,571,975 | **99,571,975** | 57 |
| Investments | 16,379,460 | - | **16,379,460** | 16,965,036 | **585,576** | 57 |
| Long term receivables | 73,049 | - | **73,049** | 68,205 | **(4,844)** | 57 |
| | **3,188,258,975** | **97,667,661** | **3,285,926,636** | **3,297,810,050** | **11,883,414** | |
| Non-current assets held for sale | - | 39,500,000 | **39,500,000** | 4,301,069 | **(35,198,931)** | 57 |
| **Total Assets** | **3,371,760,211** | **145,926,261** | **3,517,686,472** | **3,477,576,140** | **(40,110,332)** | |
| **Liabilities** | | | | | | |
| **Current Liabilities** | | | | | | |
| Borrowings | 20,623,002 | - | **20,623,002** | 20,380,859 | **(242,143)** | 57 |
| Finance lease obligation | - | - | **-** | 62,622 | **62,622** | 57 |
| Payables from exchange transactions | 64,237,355 | (2,154,437) | **62,082,918** | 61,517,719 | **(565,199)** | 57 |
| Consumer deposits | 38,618,185 | - | **38,618,185** | 37,750,995 | **(867,190)** | 57 |
| Employee benefit obligation | - | - | **-** | 2,173,716 | **2,173,716** | 57 |
| Unspent conditional grants and receipts | - | - | **-** | 3,425,499 | **3,425,499** | 57 |
| Provisions | 6,831,377 | - | **6,831,377** | 23,489,724 | **16,658,347** | 57 |
| | **130,309,919** | **(2,154,437)** | **128,155,482** | **148,801,134** | **20,645,652** | |
| **Non-Current Liabilities** | | | | | | |
| Borrowings | 391,789,234 | - | **391,789,234** | 392,443,635 | **654,401** | 57 |
| Employee benefit obligation | - | - | **-** | 95,534,792 | **95,534,792** | 57 |
| Provisions | 135,325,362 | - | **135,325,362** | 32,991,999 | **(102,333,363)** | 57 |
| | **527,114,596** | **-** | **527,114,596** | **520,970,426** | **(6,144,170)** | |
| **Total Liabilities** | **657,424,515** | **(2,154,437)** | **655,270,078** | **669,771,560** | **14,501,482** | |
| **Net Assets** | **2,714,335,696** | **148,080,698** | **2,862,416,394** | **2,807,804,580** | **(54,611,814)** | |
| **Reserves** | | | | | | |
| Housing development fund | 317,102,859 | (315,176,077) | **1,926,782** | 2,564,844 | **638,062** | 57 |
| Accumulated surplus | 2,397,232,837 | 463,256,775 | **2,860,489,612** | 2,805,239,736 | **(55,249,876)** | 57 |
| **Total Net Assets** | **2,714,335,696** | **148,080,698** | **2,862,416,394** | **2,807,804,580** | **(54,611,814)** | |

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| Figures in Rand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Note reference |
|---|---|---|---|---|---|---|
| **Cash Flow Statement** | | | | | | |
| **Cash flows from operating activities** | | | | | | |
| **Receipts** | | | | | | |
| Taxation | 126,816,928 | (12,085,737) | **114,731,191** | 135,054,434 | **20,323,243** | 57 |
| Sale of goods and services | 500,727,715 | 12,688,763 | **513,416,478** | 485,985,953 | **(27,430,525)** | 57 |
| Grants | 111,954,582 | 2,136,268 | **114,090,850** | 101,567,337 | **(12,523,513)** | 57 |
| Interest income | 9,918,000 | (696,436) | **9,221,564** | 8,470,109 | **(751,455)** | 57 |
| Other receipts | 28,590,636 | 55,018,230 | **83,608,866** | 63,503,431 | **(20,105,435)** | 57 |
| Movement in housing development fund and self insurance fund | - | - | **-** | 1,293,159 | **1,293,159** | 57 |
| | **778,007,861** | **57,061,088** | **835,068,949** | **795,874,423** | **(39,194,526)** | |
| **Payments** | | | | | | |
| Employee costs | (241,876,349) | (2,529,583) | **(244,405,932)** | (244,856,328) | **(450,396)** | 57 |
| Suppliers | (156,892,800) | - | **(156,892,800)** | (157,055,063) | **(162,263)** | 57 |
| Finance costs | (42,291,500) | - | **(42,291,500)** | (39,857,502) | **2,433,998** | 57 |
| Other payments | (262,118,988) | (29,795,252) | **(291,914,240)** | (274,670,863) | **17,243,377** | 57 |
| | **(703,179,637)** | **(32,324,835)** | **(735,504,472)** | **(716,439,756)** | **19,064,716** | |
| **Net cash flows from operating activities** | **74,828,224** | **24,736,253** | **99,564,477** | **79,434,667** | **(20,129,810)** | |
| **Cash flows from investing activities** | | | | | | |
| Purchase of property, plant and equipment | (109,897,130) | (19,799,550) | **(129,696,680)** | (128,735,039) | **961,641** | 57 |
| Proceeds from sale of property, plant and equipment | - | 4,617,000 | **4,617,000** | 5,072,932 | **455,932** | 57 |
| Purchase of investment property | - | - | **-** | (795,000) | **(795,000)** | |
| Purchase of other intangible assets | - | - | **-** | (1,400,190) | **(1,400,190)** | 57 |
| Movement in financial assets | (5,359,460) | 576,590 | **(4,782,870)** | (4,528,851) | **254,019** | 57 |
| Movement in long term receivables | 47,627 | (33,207) | **14,420** | 18,014 | **3,594** | 57 |
| Movement in non-current assets held for sale | - | 1,025,005 | **1,025,005** | - | **(1,025,005)** | 57 |
| **Net cash flows from investing activities** | **(115,208,963)** | **(13,614,162)** | **(128,823,125)** | **(130,368,134)** | **(1,545,009)** | |
| **Cash flows from financing activities** | | | | | | |
| Movement in other financial liabilities | 33,268,350 | (3,750,952) | **29,517,398** | 30,674,210 | **1,156,812** | 57 |
| Movement in finance lease obligation | - | - | **-** | (729,624) | **(729,624)** | 57 |
| **Net cash flows from financing activities** | **33,268,350** | **(3,750,952)** | **29,517,398** | **29,944,586** | **427,188** | |
| Net increase/(decrease) in cash and cash equivalents | (7,112,389) | 7,371,139 | **258,750** | (20,988,881) | **(21,247,631)** | 57 |
| Cash and cash equivalents at the beginning of the year | 91,518,435 | (7,371,139) | **84,147,296** | 84,147,296 | **-** | 57 |
| **Cash and cash equivalents at the end of the year** | **84,406,046** | **-** | **84,406,046** | **63,158,415** | **(21,247,631)** | |

## Appropriation Statement

| | 2014 | | | | | | | | | | | 2013 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Figures in Rand | Original Budget | Budget Adjustments (i.t.o. s28 and s31 of MFMA) | Final Adjustment Budget | Shifting of Funds S31 of MFMA | Virement R'000 (i.t.o. council approved policy) | Final Budget | Actual Outcome | Unauthotised expenditure | Variance | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Reported unauthorised expenditure | Expenditure authorised ito s32 of MFMA | Balance to be recovered | Restated outcome |
| **Financial Performance** | | | | | | | | | | | | | | | |
| Property rates | 126,921,437 | - | 126,921,437 | - | | 126,921,437 | 134,812,632 | | 7,891,195 | 106% | 106% | | | | 117,246,304 |
| Service charges | 497,428,900 | (3,589,360) | 493,839,540 | - | | 493,839,540 | 479,252,517 | | (14,587,023) | 97% | 96% | | | | 437,073,874 |
| Investment Revenue | 9,918,000 | (696,436) | 9,221,564 | - | | 9,221,564 | 8,470,109 | | (751,455) | 92% | 85% | | | | 9,752,077 |
| Transfers recognised - Operational | 68,984,000 | 319,280 | 69,303,280 | - | | 69,303,280 | 67,835,315 | | (1,467,965) | 98% | 98% | | | | 41,661,304 |
| Other own revenue | 39,888,963 | 3,289,823 | 43,178,786 | - | | 43,178,786 | 65,568,003 | | 22,389,217 | 152% | 164% | | | | 89,336,722 |
| | | | | - | | | | | | | | | | | |
| **Total Revenue (excl. capital transfers and contributions)** | **743,141,300** | **(676,693)** | **742,464,607** | **-** | | **742,464,607** | **755,938,576** | | **13,473,969** | **102%** | **102%** | | | | **695,070,281** |
| Employee costs | (250,842,008) | (1,612,324) | (252,454,332) | - | - | (252,454,332) | (260,644,836) | 5,869,791 | (8,190,504) | 103% | 104% | - | - | - | (231,585,778) |
| Remuneration of councillors | (7,576,965) | (400,827) | (7,977,792) | - | - | (7,977,792) | (7,932,511) | - | 45,281 | 99% | 105% | - | - | - | (7,084,131) |
| Debt impairment | - | - | - | | | - | - | - | - | 0% | 0% | - | - | - | (934,421) |
| Depreciation and asset impairment | (103,809,910) | 1,740,102 | (102,069,808) | | | (102,069,808) | (99,360,930) | - | 2,708,878 | 97% | 96% | - | - | - | (105,280,446) |
| Finance charges | (42,291,500) | - | (42,291,500) | - | - | (42,291,500) | (39,927,311) | - | 2,364,189 | 94% | 94% | - | - | - | (37,334,541) |
| Bulk purchases | (156,892,800) | - | (156,892,800) | - | - | (156,892,800) | (157,055,063) | - | (162,263) | 100% | 100% | - | - | - | (145,021,600) |
| Transfers and grants | (38,766,000) | (451,300) | (39,217,300) | - | - | (39,217,300) | (38,749,289) | - | 468,011 | 99% | 100% | - | - | - | (35,856,345) |
| Other expenditure | (223,879,991) | (2,707,495) | (226,587,486) | - | - | (226,587,486) | (235,373,010) | 12,151,366 | (8,785,524) | 104% | 105% | - | - | - | (183,958,953) |
| **Total Expenditure** | **(824,059,174)** | **(3,431,844)** | **(827,491,018)** | **-** | **-** | **(827,491,018)** | **(839,042,950)** | **18,021,157** | **(11,551,932)** | **101%** | **102%** | **-** | **-** | **-** | **(747,056,215)** |
| **Surplus (Deficit)** | **(80,917,874)** | **(4,108,537)** | **(85,026,411)** | **-** | | **(85,026,411)** | **(83,104,374)** | | **1,922,037** | **98%** | **103%** | | | | **(51,985,934)** |
| Transfers recognised - capital | 39,387,494 | 3,176,695 | 42,564,189 | - | | 42,564,189 | 38,089,847 | | (4,474,342) | 89% | 97% | | | | 53,808,707 |
| Contributions recognised - capital and contributed assets | 3,583,088 | (1,313,150) | 2,269,938 | - | | 2,269,938 | - | | (2,269,938) | 0% | 0% | | | | 5,289,119 |
| | | | | - | | | | | | | | | | | |
| **Surplus/(Deficit) after capital transfers and contributions** | **(37,947,292)** | **(2,244,992)** | **(40,192,284)** | **-** | | **(40,192,284)** | **(45,014,527)** | | **(4,822,243)** | **112%** | **119%** | | | | **7,111,892** |
| Share of surplus/ (deficit) of associate | - | - | - | - | | - | - | | - | 0% | 0% | | | | - |
| **Surplus (Deficit) for the year** | **(37,947,292)** | **(2,244,992)** | **(40,192,284)** | **-** | | **(40,192,284)** | **(45,014,527)** | | **(4,822,243)** | **112%** | **119%** | | | | **7,111,892** |
| **Capital expenditure and funds sources** | | | | | | | | | | | | | | | |
| **Total capital expenditure** | 109,897,129 | 19,799,552 | 129,696,681 | - | | 129,696,681 | 130,930,228 | | 1,233,547 | 101% | 119% | | | | |
| **Sources of capital funds** | | | | | | | | | | | | | | | |
| Transfers recognised - capital | 36,027,693 | 3,220,545 | 39,248,238 | - | | 39,248,238 | 34,207,446 | | (5,040,792) | 87% | 95% | | | | |
| Public contributions and donations | 3,583,088 | (1,500,000) | 2,083,088 | - | | 2,083,088 | 8,984,655 | | 6,901,567 | 431% | 251% | | | | |
| Borrowing | 59,861,348 | 13,565,429 | 73,426,777 | - | | 73,426,777 | 70,633,706 | | (2,793,071) | 96% | 118% | | | | |
| Internally generated funds | 10,425,000 | 4,513,578 | 14,938,578 | - | | 14,938,578 | 17,104,421 | | 2,165,843 | 114% | 164% | | | | |
| **Total sources of capital funds** | **109,897,129** | **19,799,552** | **129,696,681** | **-** | | **129,696,681** | **130,930,228** | | **1,233,547** | **101%** | **119%** | | | | |
| **Cash flows** | | | | | | | | | | | | | | | |
| Net cash from (used) operating | 71,123,867 | 21,540,156 | 92,664,023 | - | | 92,664,023 | 79,434,668 | | (13,229,355) | 86% | 112% | | | | |
| Net cash from (used) investing | (115,208,963) | (10,399,872) | (125,608,835) | - | | (125,608,835) | (130,368,135) | | (4,759,300) | 104% | 113% | | | | |
| Net cash from (used) financing | 36,972,707 | (3,769,145) | 33,203,562 | - | | 33,203,562 | 29,944,586 | | (3,258,976) | 90% | 81% | | | | |
| **Net increase/(decrease) in cash and cash equivalents** | (7,112,389) | 7,371,139 | 258,750 | - | | 258,750 | (20,988,881) | | (21,247,631) | **-8112%** | **295%** | | | | |
| Cash and Cash equivalents at the beginning of the year | 91,518,435 | (7,371,139) | 84,147,296 | - | | 84,147,296 | 84,147,296 | | - | 100% | 92% | | | | |
| **Cash/cash equivalents at the year end** | **84,406,046** | **-** | **84,406,046** | **-** | | **84,406,046** | **63,158,415** | | **(21,247,631)** | **75%** | **75%** | | | | |

# Accounting Policies

### 1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

The financial statements have been prepared on a going-concern basis.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

### 1.1 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of the municipality.

### 1.2 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

**Impairment testing**

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors.

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 21 - Provisions.

**Useful lives of infrastructure and other assets**

The municipality's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

**Post retirement benefits**

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

### 1.3 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

# Accounting Policies

### 1.3 Investment property (continued)

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

**Fair value**

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Property interests held under operating leases are classified and accounted for as investment property.

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, are as follows:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties.
- Land held for currently undetermined future use.
- Leases properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as Investment Properties. The rental revenue generated is incidental to the purposes for which the property is held.

### 1.4 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of assets and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

# Accounting Policies

### 1.4 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

| Item | Average useful life |
|---|---|
| Buildings | 5 - 30 |
| Furniture and fixtures | 3 - 15 |
| Motor vehicles | 4 - 10 |
| Infrastructure | |
| • Road and paving | 3 - 60 |
| • Pedestrian malls | 25 - 80 |
| • Electricity | 3 - 60 |
| • Water | 5 - 100 |
| • Sewerage | 10 - 60 |
| • Housing | 30 |
| Community | |
| • Improvements | 5 - 30 |
| • Recreational facilities | 5 - 30 |
| • Security | 5 - 15 |
| Bins and containers | 10 - 15 |

The residual value, the useful life and depreciation method of each asset are reviewed at least at of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use or disposal of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Land is not depreciated as it is deemed to have an indefinite useful life.

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

### 1.5 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

### 1.5 Intangible assets (continued)

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

| Item | Useful life in years |
|---|---|
| Computer software, other | 2 - 5 |

### 1.6 Heritage assets

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

**Recognition**

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

**Initial measurement**

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

**Subsequent measurement**

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

**Impairment**

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

**Transfers**

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

# Accounting Policies

### 1.6 Heritage assets (continued)

**Derecognition**

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

### 1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Derecognition is the removal of a previously recognised financial asset or financial liability from a municipality's statement of financial position.

**Classification**

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

| Class | Category |
|---|---|
| Operating lease assets | Financial asset measured at amortised cost |
| Receivables from exchange transactions | Financial asset measured at amortised cost |
| Receivables from non-exchange transactions | Financial asset measured at amortised cost |
| VAT receivable | Financial asset measured at amortised cost |
| Consumer debtors | Financial asset measured at amortised cost |
| Long term receivables | Financial asset measured at amortised cost |
| Cash and cash equivalents | Financial asset measured at amortised cost |
| Other financial assets | Financial asset measured at fair value |

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

| Class | Category |
|---|---|
| Other financial liabilities | Financial liability measured at amortised cost |
| Finance lease obligations | Financial liability measured at amortised cost |
| Payables from exchange transactions | Financial liability measured at amortised cost |
| Consumer deposits | Financial liability measured at amortised cost |

**Initial recognition**

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

**Initial measurement of financial assets and financial liabilities**

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

# Accounting Policies

### 1.7 Financial instruments (continued)

**Subsequent measurement of financial assets and financial liabilities**

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

**Gains and losses**

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

**Impairment and uncollectibility of financial assets**

The municipality assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

The calculation in respect of the impairment of fines receivable (receivables from non-exchange transactions) is based on an assessment of the past payment history of fines per category.

**Derecognition**

**Financial assets**

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality :
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

# Accounting Policies

### 1.7 Financial instruments (continued)

If a transfer does not result in derecognition because the municipality has retained substantially all the risks and rewards of ownership of the transferred asset, the municipality continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the municipality recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

**Financial liabilities**

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another municipality by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

### 1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

**Finance leases - lessor**

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

**Finance leases - lessee**

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

**Operating leases - lessor**

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

**Operating leases - lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

### 1.9 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

# Accounting Policies

### 1.9 Inventories (continued)

Subsequently inventories are measured at the lower of cost and net realisable value or the lower of cost and current replacement cost.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Water is valued at purified cost insofar as it is stored and controlled in reservoirs at year-end.

Low cost housing properties are subsequently valued at the lower of cost and current replacement cost. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

### 1.10 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

The gain or loss on the eventual sale of non-current assets held for sale is included in the statement of financial performance as a gain or loss on sale of assets. The gain or loss on the eventual sale of non-current assets held for sale is calculated on the difference between the net disposal proceeds and the carrying amount of the individual asset.

### 1.11 Impairment of cash-generating assets

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

**Identification**

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

# Accounting Policies

### 1.11 Impairment of cash-generating assets (continued)

**Value in use**

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

### 1.12 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

**Identification**

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

**Value in use**

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

### 1.13 Employee benefits

Employee benefits are all forms of consideration given by a municipality in exchange for service rendered by employees.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from a municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

# Accounting Policies

### 1.13 Employee benefits (continued)

**Short-term employee benefits**

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

**Post-employment benefits**

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid.

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to the fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued bi-annually on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

# Accounting Policies

### 1.13 Employee benefits (continued)

**Other post retirement obligations**

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

### 1.14 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 45.

### 1.15 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

# Accounting Policies

### 1.15 Revenue from exchange transactions (continued)

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

**Measurement**

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

**Sale of goods**

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption from the first reading after the reporting date.

Revenue from the sale of pre-paid electricity units is recognised when the risks and rewards of ownership has passed to the buyer.

Revenue received from pre-paid electricity sales are deferred and recognised as revenue on the consumption basis, commencing on the date of purchase. The consumption of pre-paid electricity is measured by using a trend analysis and other historical data about electricity usage, including how often an electricity card is purchased or additional units of electricity loaded onto a pre-paid card.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has a water connection. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of wether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are charged on both vacant and developed property using the tariffs approved from Council and are levied monthly.

# Accounting Policies

### 1.15 Revenue from exchange transactions (continued)

**Interest and other revenue**

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

Revenue arising from the application of the approved tariff of charges is recognised when the service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

### 1.16 Revenue from non-exchange transactions

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

**Recognition**

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

**Measurement**

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

# Accounting Policies

### 1.16 Revenue from non-exchange transactions (continued)

**Taxes**

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for value added tax is the undertaking of taxable activity during the taxation period by the taxpayer.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

**Transfers**

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

**Fines**

Fines constitute both spot fines and camera fines. Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. It is measured at the best estimate, based on past experience, of the amount of revenue the municipality is entitled to collect.

Subsequent to initial recognition and measurement, the municipality assesses the collectability of the revenue and recognises a seperate impairment loss, where appropriate.

**Bequests**

Bequests that satisfy the definition of an asset are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality, and the fair value of the assets can be measured reliably.

**Gifts and donations, including goods in-kind**

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

**Services in-kind**

Services in-kind are not recognised.

### 1.17 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any investment income on the temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the municipality on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

# Accounting Policies

### 1.17 Borrowing costs (continued)

All other borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.18 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

### 1.19 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.20 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.21 Irregular expenditure

According to section 1 of the MFMA: "irregular expenditure", in relation to a municipality or municipal entity, means -

(a) expenditure incurred by a municipality or municipal entiry in contravention of, or that is not in accordance with, a requirement of this Act and which has not been condoned in terms of section 170; or
(b) expenditure incurred by a municipality or municipal entiry in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act and which has not been condoned in terms of that Act; or
(c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
(d) expenditure incurred by a municipality or municipal entiry in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy and which has not been condoned in terms of such policy or by-law,

but excludes expenditure by a municipality which falls within the definition of unauthorised expenditure.

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debtor's account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the council may write off the amount and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly.

# Accounting Policies

### 1.21 Irregular expenditure (continued)

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.22 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

### 1.23 Internal reserves

**Self insurance reserve**

The municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term cash investments.

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

### 1.24 Budget information

Municipalities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipalities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2013/07/01 to 2014/06/30.

The financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The Statement of comparative and actual information has been included in the financial statements as the recommended disclosure when the financial statements and the budget are on the same basis of accounting as determined by National Treasury.

Comparative information is not required.

### 1.25 Related parties

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

### 1.26 Changes in accounting policies, estimates and errors

Changes in accounting policies that are effected by management are applied retrospectively in accorance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

# Accounting Policies

### 1.26 Changes in accounting policies, estimates and errors (continued)

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

### 1.27 Events after reporting date

Events after reporting date that are classified as adjusting events are accounted for in the annual financial statements. The events after reporting date that are classified as non-adjusting events are disclosed in the notes to the annual financial statements.

### 1.28 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

### 1.29 Standards issued but not yet effective

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 18 Segment reporting - issued February 2011
GRAP 108 Statutory receivables - issued September 2013

Application of all the above GRAP standards will be effective from the date to be announced by the Minister of Finance. This date is not currently available.

The ASB Directive 5 paragraph 29 allows for the municipality to apply the principles established in a standard of GRAP that has been issued, but is not yet effective, in developing an appropriate accounting policy dealing with a particular transaction or event before applying paragraph 12 of GRAP 3 on Accounting policies, Changes in accounting estimates and Errors.

The municipality applied the principles established in a standard of GRAP that has been issued, but is not yet effective, in developing an appropriate accounting policy dealing with the following transactions, but have not early adopted these standards:

GRAP 20 Related parties - issued June 2011

Management has considered all the above standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

| Figures in Rand | 2014 | 2013 |
|---|---|---|

### 2. Changes in accounting policy

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following new or revised standards and interpretation of the standards.

- GRAP 25 Employee benefits - effective 1 July 2013
- IGRAP1 Applying the probability test on initial recognition of revenue - effective 1 July 2013

Refer to note 47 for more detail.

### 3. New standards and interpretations

### 3.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

| Standard/ Interpretation: | Effective date: Years beginning on or after | Expected impact: |
|---|---|---|
| • GRAP 25: Employee benefits | 01 April 2013 | Immaterial |
| • IGRAP1 (as revised 2012):Applying the probability test on initial recognition of revenue | 01 April 2013 | On the initial recognition of traffic fines debtor and the subsequent impairment thereof |

### 4. Investment property

| | 2014 | | | 2013 | | |
|---|---|---|---|---|---|---|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Investment property | 164,500,500 | - | 164,500,500 | 175,866,200 | - | 175,866,200 |

**Reconciliation of investment property - 2014**

| | Opening balance | Additions | Transfers | Fair value adjustments | Total |
|---|---|---|---|---|---|
| Investment property | 175,866,200 | 795,000 | (4,300,000) | (7,860,700) | 164,500,500 |

### 4. Investment property (continued)

**Reconciliation of investment property - 2013**

| | Opening balance | Additions | Disposals | Transfers | Fair value adjustments | Total |
|---|---|---|---|---|---|---|
| Investment property | 104,672,500 | 945,000 | (55,000) | 21,149,090 | 49,154,610 | 175,866,200 |

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Revenue earned on Investment properties during the period under review was R342,264 (2012/13 : R358,919)

Transfers to Investement properties were from owner-occupied property and non-current assets held for sale.

Investment properties are adjusted to their fair value on an annual basis. The valuations are performed by Boland Valuers, independent valuers who are not connected to the municipality.

### 5. Property, plant and equipment

| | 2014 | | | 2013 | | |
|---|---|---|---|---|---|---|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Land | 355,127,927 | (425,208) | 354,702,719 | 346,042,386 | (425,208) | 345,617,178 |
| Buildings | 136,543,588 | (27,006,096) | 109,537,492 | 133,993,587 | (21,397,607) | 112,595,980 |
| Infrastructure | 5,121,515,656 | (2,682,545,926) | 2,438,969,730 | 5,065,867,783 | (2,630,009,669) | 2,435,858,114 |
| Community | 98,455,082 | (35,640,724) | 62,814,358 | 91,462,841 | (32,680,117) | 58,782,724 |
| Other | 79,844,947 | (34,475,920) | 45,369,027 | 73,742,861 | (30,107,686) | 43,635,175 |
| Leased equipment | 139,288 | (48,287) | 91,001 | 1,379,399 | (321,763) | 1,057,636 |
| **Total** | **5,791,626,488** | **(2,780,142,161)** | **3,011,484,327** | **5,712,488,857** | **(2,714,942,050)** | **2,997,546,807** |

### 5. Property, plant and equipment (continued)

**Reconciliation of property, plant and equipment - 2014**

| | Opening balance | Additions | Disposals | Transfers | Under construction | Depreciation | Total |
|---|---|---|---|---|---|---|---|
| Land | 345,617,178 | 9,085,541 | - | - | - | - | 354,702,719 |
| Buildings | 112,595,980 | 1,493,665 | - | 1,056,335 | - | (5,608,488) | 109,537,492 |
| Infrastructure | 2,435,858,114 | 86,506,721 | (15,404,959) | (1,056,335) | 18,167,465 | (85,101,276) | 2,438,969,730 |
| Community | 58,782,724 | 1,182,959 | - | - | 5,809,281 | (2,960,606) | 62,814,358 |
| Other | 43,635,175 | 6,489,407 | (660,402) | 735,706 | - | (4,830,859) | 45,369,027 |
| Leased equipment | 1,057,636 | - | - | (735,706) | - | (230,929) | 91,001 |
| | **2,997,546,807** | **104,758,293** | **(16,065,361)** | **-** | **23,976,746** | **(98,732,158)** | **3,011,484,327** |

**Reconciliation of property, plant and equipment - 2013**

| | Opening balance | Additions | Disposals | Transfers | Under construction | Depreciation | Impairment loss | Total |
|---|---|---|---|---|---|---|---|---|
| Land | 345,447,078 | 1,346,702 | - | (751,394) | - | - | (425,208) | 345,617,178 |
| Buildings | 114,902,671 | 3,319,769 | (1,728,000) | 1,568,431 | - | (5,466,891) | - | 112,595,980 |
| Infrastructure | 2,390,744,704 | 65,652,638 | (708,815) | (644,552) | 62,744,663 | (81,930,524) | - | 2,435,858,114 |
| Community | 59,780,718 | 2,328,158 | - | (747,881) | 273,191 | (2,851,462) | - | 58,782,724 |
| Other | 42,791,879 | 5,708,744 | (538,380) | - | - | (4,327,068) | - | 43,635,175 |
| Leased equipment | 1,121,147 | 171,493 | - | - | - | (235,004) | - | 1,057,636 |
| | **2,954,788,197** | **78,527,504** | **(2,975,195)** | **(575,396)** | **63,017,854** | **(94,810,949)** | **(425,208)** | **2,997,546,807** |

A register containing the information required by section 63 of the Local Government: Municipal Finance Management Act (56 of 2003) is available for inspection at the registered office of the municipality.

| Figures in Rand | 2014 | 2013 |
|---|---|---|

### 6. Intangible assets

| | 2014 | | | 2013 | | |
|---|---|---|---|---|---|---|
| | **Cost / Valuation** | **Accumulated amortisation and accumulated impairment** | **Carrying value** | **Cost / Valuation** | **Accumulated amortisation and accumulated impairment** | **Carrying value** |
| Computer software, other | 4,405,449 | (1,545,442) | 2,860,007 | 3,005,259 | (916,672) | 2,088,587 |
| Water rights | 2,360,000 | - | 2,360,000 | 2,360,000 | - | 2,360,000 |
| **Total** | **6,765,449** | **(1,545,442)** | **5,220,007** | **5,365,259** | **(916,672)** | **4,448,587** |

**Reconciliation of intangible assets - 2014**

| | **Opening balance** | **Additions** | **Amortisation** | **Total** |
|---|---|---|---|---|
| Computer software, other | 2,088,587 | 1,400,190 | (628,770) | 2,860,007 |
| Water rights | 2,360,000 | - | - | 2,360,000 |
| | **4,448,587** | **1,400,190** | **(628,770)** | **5,220,007** |

**Reconciliation of intangible assets - 2013**

| | **Opening balance** | **Additions** | **Amortisation** | **Total** |
|---|---|---|---|---|
| Computer software, other | 1,187,265 | 1,273,858 | (372,536) | 2,088,587 |
| Water rights | 2,360,000 | - | - | 2,360,000 |
| | **3,547,265** | **1,273,858** | **(372,536)** | **4,448,587** |

**Other information**

Intangible assets with indefinite lives:

| | | |
|---|---|---|
| Water right | 2,360,000 | 2,360,000 |

The municipality entered into a contract with Kraai Bosch Plase (Pty) Ltd on 28 May 1999. The useful life of the water right is considered to be indefinite as the contract does not define when the municipality will cease to enjoy the right to use the water from the Kraaibosch dam. There is no reason to believe that the right to the Kraaibosch dam has a limited useful life due to the condition of the dam. Regular assessments are performed to determine whether the conditions that existed at the inception of the contract have changed.

### 7. Heritage assets

| | 2014 | | | 2013 | | |
|---|---|---|---|---|---|---|
| | **Cost / Valuation** | **Accumulated impairment losses** | **Carrying value** | **Cost / Valuation** | **Accumulated impairment losses** | **Carrying value** |
| Conservation areas | 107,905,466 | (9,250,000) | 98,655,466 | 107,906,535 | (9,250,000) | 98,656,535 |
| Stamp collections, military insignia, medals, coin | 99,309 | - | 99,309 | 99,309 | - | 99,309 |
| Recreational parks | 817,200 | - | 817,200 | 817,200 | - | 817,200 |
| **Total** | **108,821,975** | **(9,250,000)** | **99,571,975** | **108,823,044** | **(9,250,000)** | **99,573,044** |

| Figures in Rand | 2014 | 2013 |
|---|---|---|

### 7. Heritage assets (continued)

**Reconciliation of heritage assets 2014**

| | Opening balance | Transfers | Total |
|---|---|---|---|
| Conservation areas | 98,656,535 | (1,069) | 98,655,466 |
| Stamp collections, military insignia, medals, coin | 99,309 | - | 99,309 |
| Recreational parks | 817,200 | - | 817,200 |
| | **99,573,044** | **(1,069)** | **99,571,975** |

**Reconciliation of heritage assets 2013**

| | Opening balance | Impairment losses recognised | Total |
|---|---|---|---|
| Conservation areas | 107,906,535 | (9,250,000) | 98,656,535 |
| Stamp collections, military insignia, medals, coin | 99,309 | - | 99,309 |
| Recreational parks | 817,200 | - | 817,200 |
| | **108,823,044** | **(9,250,000)** | **99,573,044** |

### 8. Investments

| | | |
|---|---|---|
| **Designated at fair value** | | |
| Liberty - Sinking funds | 15,814,408 | 10,469,952 |
| Momentum - Sinking fund | 1,150,628 | 675,490 |
| New Republic Bank | - | 451,148 |
| The municipality has an investment with New Republic Bank. The bank is under receivership since October 1999. Interest only accrued until 31 December 2007. There is no guarantee that the municipality will receive the full value of the investment. After the 2013 financial year-end, a dividend of R0.5268 on the capital still outstanding was received. Therefore a portion of the impairment was reversed. This brings the total payout to 99.15% of the original investment. | | |
| | **16,965,036** | **11,596,590** |
| **Non-current assets** | | |
| Designated at fair value | 16,965,036 | 11,596,590 |

In determining the recoverability of other financial assets, the Overstrand Municipality considers any change in the credit quality of the other financial assets from the date the credit was initially granted up to the reporting date.

| Figures in Rand | 2014 | 2013 |
|---|---|---|

## 9. Employee benefit obligations

**Defined benefit plan**

The plan is a post-employment health care benefit plan.

**Post-employment health care benefit plan**

The municipality provides certain post-employment health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:
- Bonitas;
- LA Health;
- Prosano; - Hosmed;
- Samwumed; and
- Keyhealth

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2014 by ARCH Actuarial Consulting, Fellow of the Actuarial Society of South Africa, including projections for the 2015 and 2016 financial periods. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

| **The members of the Post-employment health care benefit plan are made up as follows:** | | |
|---|---|---|
| In-service members (employees) | 367 | 387 |
| Continuation members (retirees, widowers and orphans) | 71 | 70 |
| | **438** | **457** |

**The amounts recognised in the statement of financial position are as follows:**

| **Carrying value** | | |
|---|---|---|
| Present value of the defined benefit obligation-wholly unfunded | (97,708,508) | (81,920,000) |
| Non-current liabilities | (95,534,792) | (79,887,000) |
| Current liabilities | (2,173,716) | (2,033,000) |
| | **(97,708,508)** | **(81,920,000)** |

**Changes in the present value of the defined benefit obligation are as follows:**

| | | |
|---|---|---|
| Opening balance | 81,920,000 | 73,505,000 |
| Net expense recognised in the statement of financial performance | 15,788,508 | 8,415,000 |
| | **97,708,508** | **81,920,000** |

**Net expense recognised in the statement of financial performance**

| | | |
|---|---|---|
| Current service cost | 4,940,000 | 4,580,000 |
| Interest cost | 6,439,000 | 5,778,000 |
| Actuarial (gains) losses | 6,445,136 | 83,043 |
| Benefits | (2,035,628) | (2,026,043) |
| | **15,788,508** | **8,415,000** |

| Figures in Rand | 2014 | 2013 |
|---|---|---|

### 9. Employee benefit obligations (continued)

**Key assumptions used**

Assumptions used at the reporting date:

| | | |
|---|---|---|
| Discount rates used | 8.94 % | 7.86 % |
| Medical cost trend rates | 7.86 % | 6.37 % |
| Net effective discounted rate | 1.00 % | 1.40 % |

Management assessed the assumptions used and found it to be adequate.

**Other assumptions**

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effect:

| | One percentage point increase | One percentage point decrease |
|---|---|---|
| Effect on the aggregate of the service cost and interest cost | 13,526,605 | 9,667,614 |
| Effect on defined benefit obligation | 113,598,000 | 84,795,000 |

Amounts for the current and previous four years are as follows:

| | 2014 R | 2013 R | 2012 R | 2011 R | 2010 R |
|---|---|---|---|---|---|
| Defined benefit obligation | 97,708,508 | 81,920,000 | 73,505,000 | 63,437,000 | 56,587,000 |

**Defined contribution plan**

It is the policy of the municipality to provide retirement benefits to all its employees. A number of defined contribution plan, all of which are subject to the Pensions Fund Act exist for this purpose.

The municipality is under no obligation to cover any unfunded benefits.

### 10. Long term receivables

| | | |
|---|---|---|
| Land sales | 752 | 1,452 |
| Housing selling scheme | 16,738 | 17,710 |
| Sport clubs | 65,500 | 81,841 |
| | **82,990** | **101,003** |
| **Non-current assets** | | |
| Long term receivables | 68,205 | 83,571 |
| **Current assests** | | |
| Long term receivables | 14,785 | 17,432 |
| | **82,990** | **101,003** |

In determining the recoverability of long term receivables, the Overstrand Municipality considers any change in the credit quality of the long term receivables from the date the credit was initially granted up to the reporting date.

| Figures in Rand | 2014 | 2013 |
|---|---|---|

### 11. Inventories

| | | |
|---|---|---|
| Stores and materials | 6,949,949 | 7,868,690 |
| Work-in-progress - Low cost housing | 1,851,413 | 1,460,129 |
| Low cost housing properties not transferred to beneficiaries | 3,912,600 | 10,664,800 |
| Water | 422,808 | 263,104 |
| | **13,136,770** | **20,256,723** |
| **Inventories recognised as an expense during the year:** | | |
| Water | 27,647,556 | 21,944,511 |
| Stores and materials | 8,880,495 | 7,831,644 |
| Low cost housing | 18,119,392 | - |
| | **54,647,443** | **29,776,155** |

### 12. Receivables from exchange transactions [1]

| | | |
|---|---|---|
| Trade debtors | 16,733,329 | 14,631,066 |
| Prepayments | 2,472,249 | - |
| Deposits | 535,372 | 491,418 |
| Accrued interest | - | 10,685 |
| Insurance debtor | 330,178 | 735,326 |
| Other debtors | 6,335,441 | 10,907,045 |
| | **26,406,569** | **26,775,540** |

In determining the recoverability of receivables from exchange transactions, the Overstrand Municipality considers any change in the credit quality of the trade and other receivables from the date the credit was initially granted up to the reporting date.

### 13. Receivables from non-exchange transactions [1]

| | | |
|---|---|---|
| Fines | 9,465,278 | 6,565,827 |
| Government grants and subsidies | 6,265,099 | 6,552,223 |
| Control accounts - sundry | 2,870,275 | 3,130,597 |
| | **18,600,652** | **16,248,647** |

In determining the recoverability of receivables from non-exchange transactions, the Overstrand Municipality considers any change in the credit quality of the trade and other receivables from the date the credit was initially granted up to the reporting date.

**Receivables from non-exchange transactions impaired**

As at 30 June 2014, fines receivable from non-exchange transactions of R 29,323,598 (2013: R 13,834,252) were impaired and provided for. Revenue from fines recognised for the year amounts to R 22,739,348 (2013: R 14,244,131).

The amount of the provision was R 19,858,320 as of 30 June 2014 (2013: R 7,268,425).

Fines receivable from non-exchange transactions after the provision of impairment amounted to R 9,465,278 (2013: R 6,565,827).

The ageing of the afore-mentioned is as follows:

| | | |
|---|---|---|
| < 12 months | 3,706,054 | 3,573,205 |
| > 1 year | 5,759,224 | 2,992,622 |

[1] See Note 15 for further details of receivables from exchange and non-exchange transactions

| Figures in Rand | 2014 | 2013 |
|---|---|---|

### 13. Receivables from non-exchange transactions (continued)

**Reconciliation of provision for impairment of receivables from non-exchange transactions**

| | | |
|---|---|---|
| Opening balance | 7,268,425 | 1,514,529 |
| Provision for impairment | 12,589,895 | 5,753,896 |
| | **19,858,320** | **7,268,425** |

The calculation in respect of the impairment of fines receivable (receivables from non-exchange transactions) is based on an assessment of the past payment history of fines per category.

### 14. VAT receivable

| | | |
|---|---|---|
| VAT | 5,934,940 | 8,346,728 |

In determining the recoverability of VAT receivable, the Overstrand Municipality considers any change in the credit quality of the VAT receivable from the date the credit was initially granted up to the reporting date.

Overstrand Municipality is registered on the cash/payment basis for VAT.

### 15. Consumer debtors

| | | |
|---|---|---|
| **Gross balances** | | |
| Rates | 16,395,359 | 16,697,642 |
| Electricity | 17,546,629 | 19,149,129 |
| Water | 13,634,858 | 12,228,131 |
| Sewerage | 8,233,807 | 7,763,926 |
| Refuse | 6,380,938 | 5,937,890 |
| Property rental | 294,826 | 320,671 |
| Other | 1,323,744 | 3,843,364 |
| | **63,810,161** | **65,940,753** |
| **Less: Allowance for impairment** | | |
| Rates | (4,203,333) | (4,263,813) |
| Electricity | (4,461,826) | (1,270,055) |
| Water | (3,495,614) | (3,907,440) |
| Sewerage | (2,110,929) | (2,853,395) |
| Refuse | (1,635,903) | (1,573,294) |
| Property rental | (75,585) | (221,261) |
| Other | (376,035) | (2,826,307) |
| | **(16,359,225)** | **(16,915,565)** |
| **Net balance** | | |
| Rates | 12,192,026 | 12,433,829 |
| Electricity | 13,084,803 | 17,879,074 |
| Water | 10,139,244 | 8,320,691 |
| Sewerage | 6,122,878 | 4,910,531 |
| Refuse | 4,745,035 | 4,364,596 |
| Property rental | 219,241 | 99,410 |
| Other | 947,709 | 1,017,057 |
| | **47,450,936** | **49,025,188** |

| Figures in Rand | 2014 | 2013 |
|---|---|---|
| **15. Consumer debtors (continued)** | | |
| **Included in the above is receivables from exchange transactions** | | |
| Electricity | 13,084,803 | 17,879,074 |
| Water | 10,139,244 | 8,320,691 |
| Sewerage | 6,122,878 | 4,910,531 |
| Refuse | 4,745,035 | 4,364,596 |
| Property rental | 219,241 | 99,410 |
| | **34,311,201** | **35,574,302** |
| **Included in the above is receivables from non-exchange transactions** | | |
| Rates | 12,192,026 | 12,433,829 |
| Other | 947,709 | 1,017,057 |
| | **13,139,735** | **13,450,886** |
| **Net balance** | **47,450,936** | **49,025,188** |
| **Rates** | | |
| Current (0 -30 days) | 8,946,093 | 7,828,846 |
| 31 - 60 days | 308,703 | 259,014 |
| 61 - 90 days | 201,022 | 178,391 |
| 91 - 120 days | 171,392 | 142,197 |
| + 120 days | 2,564,816 | 4,025,381 |
| | **12,192,026** | **12,433,829** |
| **Electricity** | | |
| Current (0 -30 days) | 8,942,047 | 12,043,462 |
| 31 - 60 days | 345,839 | 305,716 |
| 61 - 90 days | 168,179 | 176,579 |
| 91 - 120 days | 121,948 | 125,352 |
| + 120 days | 3,506,790 | 5,227,965 |
| | **13,084,803** | **17,879,074** |
| **Water** | | |
| Current (0 -30 days) | 6,720,433 | 4,639,419 |
| 31 - 60 days | 439,638 | 307,209 |
| 61 - 90 days | 140,579 | 248,512 |
| 91 - 120 days | 162,686 | 224,380 |
| + 120 days | 2,675,908 | 2,901,171 |
| | **10,139,244** | **8,320,691** |
| **Sewerage** | | |
| Current (0 -30 days) | 3,905,089 | 2,687,782 |
| 31 - 60 days | 146,515 | 148,507 |
| 61 - 90 days | 110,743 | 108,477 |
| 91 - 120 days | 87,846 | 91,421 |
| + 120 days | 1,872,685 | 1,874,344 |
| | **6,122,878** | **4,910,531** |

| Figures in Rand | 2014 | 2013 |
|---|---|---|

**15. Consumer debtors (continued)**

| | | |
|---|---|---|
| **Refuse** | | |
| Current (0 -30 days) | 3,225,487 | 2,581,655 |
| 31 - 60 days | 110,394 | 113,360 |
| 61 - 90 days | 78,834 | 81,451 |
| 91 - 120 days | 64,933 | 66,878 |
| + 120 days | 1,265,387 | 1,521,252 |
| | **4,745,035** | **4,364,596** |
| **Property rental** | | |
| Current (0 -30 days) | 93,193 | 48,133 |
| 31 - 60 days | 9,271 | 6,927 |
| 61 - 90 days | 5,267 | 4,608 |
| 91 - 120 days | 4,321 | 3,583 |
| + 120 days | 107,189 | 36,159 |
| | **219,241** | **99,410** |
| **Other** | | |
| Current (0 -30 days) | 266,813 | 370,326 |
| 31 - 60 days | 30,004 | 73,549 |
| 61 - 90 days | 77,471 | 41,718 |
| 91 - 120 days | 68,116 | 21,706 |
| + 120 days | 505,305 | 509,758 |
| | **947,709** | **1,017,057** |
| **Reconciliation of allowance for impairment** | | |
| Balance at beginning of the year | (16,915,565) | (18,113,692) |
| Contributions to / (from) allowance | - | (594,272) |
| Debt impairment written off against allowance | 449,073 | 1,792,399 |
| Reversal of allowance | 107,267 | - |
| | **(16,359,225)** | **(16,915,565)** |

| Figures in Rand | 2014 | 2013 |
|---|---|---|

### 16. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---|---|---|
| Cash on hand | 15,980 | 16,230 |
| Bank balances | 13,103,058 | 29,089,520 |
| Short-term deposits | 50,039,377 | 55,041,546 |
| | **63,158,415** | **84,147,296** |

**The municipality had the following bank accounts**

| Account number / description | Bank statement balances | | | Cash book balances | | |
|---|---|---|---|---|---|---|
| | 30 June 2014 | 30 June 2013 | 30 June 2012 | 30 June 2014 | 30 June 2013 | 30 June 2012 |
| ABSA - Cheque - 322-000-0035 | 36,997,660 | 56,932,992 | 70,318,621 | 12,210,480 | 27,959,806 | 51,031,117 |
| ABSA - Cheque - 405-589-9787 | 57 | 235 | 6,994 | 5,022 | 2,485 | 1,686 |
| ABSA - Cheque - 405-642-0921 | 65,977 | 81,327 | 63,400 | 81,487 | 93,290 | 74,237 |
| ABSA - Cheque - 405-657-8021 | 563,302 | 693,477 | 404,637 | 438,922 | 359,548 | 331,156 |
| ABSA - Cheque - 405-298-3157 | 367,147 | 674,390 | 244,941 | 367,147 | 674,391 | 244,941 |
| ABSA Call accounts | 50,039,378 | 30,041,546 | 25,000,000 | 50,039,377 | 30,041,546 | 25,000,000 |
| Nedbank Call account | - | 25,000,000 | - | - | 25,000,000 | - |
| STB Call account | - | - | 50,000,000 | - | - | 50,000,000 |
| Cash on hand | - | - | - | 15,980 | 16,230 | 16,330 |
| **Total** | **88,033,521** | **113,423,967** | **146,038,593** | **63,158,415** | **84,147,296** | **126,699,467** |

### 17. Non-current assets held for sale

Assets meeting the definition and recognition criteria of non-current assets held for sale are reclassified and measured in accordance with GRAP 100 requirements.

ERF 11154 (portion of ERF 384), Hermanus

The Council's approval for the transfer of the property was obtained on 28 May 2014. The deed of sale was signed and attorneys were instructed to attend to the registration of the transfer in the Deeds Office, which will be effected by 30 June 2015.

ERF 10573 (portion of ERF 572), Hermanus

The Council's approval for the transfer of the property was obtained on 22 April 2008. The deed of exchange was signed and attorneys were instructed to attend to the registration of the transfer in the Deeds Office. The attorneys could only proceed with the necessary after approval was obtained from the Provincial Department for the lifting of a restrictive condition against the title deed, which was only obtained in November 2013. The transaction will most probably register in the Deeds Office before 30 June 2015.

**Non-current assets held for sale comprises of the following:**

| | | |
|---|---|---|
| Erf no. 109 - Van Dyksbaai | - | 1,025,000 |
| Erf no. 217 - Zwelihle | - | 5 |
| Erf no. 11154 - Hermanus | 4,300,000 | - |
| Erf no. 10573 - Hermanus | 1,069 | - |
| | **4,301,069** | **1,025,005** |

| Figures in Rand | 2014 | 2013 |
|---|---|---|

### 18. Finance lease obligation

| | | |
|---|---|---|
| **Minimum lease payments due** | | |
| - within one year | 69,325 | 560,631 |
| - in second to fifth year inclusive | - | 266,484 |
| | 69,325 | 827,115 |
| less: future finance charges | (6,704) | (172,643) |
| **Present value of minimum lease payments** | **62,621** | **654,472** |
| **Present value of minimum lease payments due** | | |
| - within one year | 62,621 | 484,773 |
| - in second to fifth year inclusive | - | 259,781 |
| | **62,621** | **744,554** |
| Non-current liabilities | - | 237,664 |
| Current liabilities | 62,622 | 484,773 |
| | **62,622** | **722,437** |

The municipality has entered into contracts with suppliers for the rental of office equipment and has agreed to accept the option to purchase the equipment at the end of the lease term.

The average lease term was 3 years and the average effective borrowing rate was 13% (2013: 13%).

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

Refer to note 5 for the carrying value of assets under finance lease.

### 19. Unspent conditional grants and receipts

**Unspent conditional grants and receipts comprises of:**

| | | |
|---|---|---|
| **Unspent conditional grants and receipts** | | |
| Housing consumer education grant | - | 47,385 |
| Human settlements development grant | 2,381,752 | 5,460,898 |
| Mobility strategy grant | - | 105,868 |
| Public transport non-motorised infrastructure grant | - | 1,500,000 |
| Financial management support grant | 645,189 | - |
| Greenest municipality competition grant | 37,640 | - |
| Unspent public contributions and donations | 360,918 | 669,172 |
| | **3,425,499** | **7,783,323** |

**Movement during the year**

| | | |
|---|---|---|
| Balance at the beginning of the year | 7,783,323 | 4,555,477 |
| Additions during the year | 61,888,978 | 63,292,914 |
| Income recognition during the year | (66,246,802) | (60,065,068) |
| | **3,425,499** | **7,783,323** |

The nature and extent of government grants recognised in the financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 26 for reconciliation of grants from National/Provincial Government and note 27 for the public contributions.

| Figures in Rand | 2014 | 2013 |
|---|---|---|

### 20. Borrowings

| | | |
|---|---|---|
| **At amortised cost** | | |
| Annuity loans | 412,824,494 | 382,150,284 |

The fair values of the financial liabilities were determined as follows:

a) The management of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statements approximate their fair values. The fair value of Financial Assets and Financial Liabilities were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratio's of the municipality's debtors.

b) At the reporting date there are no significant concentrations of credit risk for other financial liabilities. The carrying amount reflected above represents the municipality's maximum exposure to credit risk for such other financial liabilities.

Refer to note 48 for maturity analysis of financial liabilities.

| | | |
|---|---|---|
| **Non-current liabilities** | | |
| At amortised cost | 392,443,635 | 364,394,191 |
| **Current liabilities** | | |
| At amortised cost | 20,380,859 | 17,756,093 |

### 21. Provisions

**Reconciliation of provisions - 2014**

| | Opening Balance | Additions | Utilised during the year | Reversed during the year | Reduction due to re-measurement or settlement without cost to entity | Total |
|---|---|---|---|---|---|---|
| Rehabilitation of tip sites | 40,123,493 | - | - | - | (12,360,729) | 27,762,764 |
| Clearing of alien vegetation | 1,487,477 | 9,000 | (306,126) | - | (46,976) | 1,143,375 |
| Gratification payable | 443,500 | - | (10,681) | (24,979) | - | 407,840 |
| Long service awards | 6,449,000 | 3,587,158 | (781,655) | - | - | 9,254,503 |
| Leave pay | 10,061,040 | 2,246,025 | (956,654) | - | (587,256) | 10,763,155 |
| Bonuses | 6,503,898 | 646,188 | - | - | - | 7,150,086 |
| | **65,068,408** | **6,488,371** | **(2,055,116)** | **(24,979)** | **(12,994,961)** | **56,481,723** |

**Reconciliation of provisions - 2013**

| | Opening Balance | Additions/ Adjustments | Utilised during the year | Total |
|---|---|---|---|---|
| Rehabilitation of tip sites | 36,869,450 | 3,254,043 | - | 40,123,493 |
| Clearing of alien vegetation | 1,716,292 | (8,354) | (220,461) | 1,487,477 |
| Gratification payable | 464,606 | - | (21,106) | 443,500 |
| Long service awards | 6,095,136 | 1,044,125 | (690,261) | 6,449,000 |
| Leave pay | 8,601,764 | 2,138,142 | (678,866) | 10,061,040 |
| Bonuses | 5,692,062 | 811,836 | - | 6,503,898 |
| | **59,439,310** | **7,239,792** | **(1,610,694)** | **65,068,408** |

| | | |
|---|---|---|
| Non-current liabilities | 32,991,999 | 39,431,887 |
| Current liabilities | 23,489,724 | 25,636,521 |
| | **56,481,723** | **65,068,408** |

# Notes to the Financial Statements

| Figures in Rand | 2014 | 2013 |
|---|---|---|

**21. Provisions (continued)**

**Rehabilitation of tip sites**

Provision is made in terms of the Overstrand Municipality's licensing stipulations on the landfill sites, for the estimated cost of rehabilitating landfill sites. The estimation of landfill sites was conducted by JPCE specialist waste management consultants, independent consultants who are not connected to the municipality.

The costs are determined by calculating the volumes of excavations, materials required and legal requirements according to the footprint of each individual site. The previous year's figures are escalated using the latest CPI of 6%. The individual rates are then again cross-checked to determine if they are still in line with current rates for similar activities and adjusted accordingly.

The scheduled dates of total closure and rehabilitation for the operational site is at present anticipated to take place between 2016 and 2031.

The cost to rehabilitate all identified sites in the Overstrand are estimated at R27,762,763.

**Clearing of alien vegetation**

The average cost of alien clearing within the Overstrand is derived from the actual expenditure of the Department of Environmental Affairs, working for water programme. During the financial year, the programme cleared 3,070 ha at a total cost of R5,096,955. This equates to an average cost of R1,660 per ha.

Approximately 10.34% of a total area of 6,659 ha must be cleared during the next 3 to 10 years and the estimated cost amounts to R1,143,375.

**Gratification payable**

The cost of the gratification payable was based on employees not belonging to a pension fund up untill February 2003 and is only payable on retirement. The estimated cost amounts to R407,840.

**Long service awards**

A long-service award is granted to municipal employees after the completion of fixed periods of continuous service with the Municipality. The said award comprises a certain number of vacation leave days which, in accordance with the option exercised by the beneficiary employee, can be converted into a cash amount based on his/her basic salary applicable at the time the award becomes due or, alternatively, credited to his/her vacation leave accrual. The provision represents an estimation of the awards to which employees in the service of the Municipality at 30 June 2014 may become entitled to in future, based on an actuarial valuation performed at 30 June 2014, to the amount of R9,254,503.

**Discount rate:**

A discount rate of 7.84% per annum has been used. This is derived by using a liability-weighted average of the yields corresponding to the average term until payment of long service awards, for each employee.

**Key assumptions:**

Discount rate of 7.84% (2012: 8.34%), a general salary inflation rate of 7.03% (2012: 6.23%) and a net discount rate of 0.75% (2012: 1.99%).

**Leave pay**

Annual leave accrues to employees on a monthly basis, subject to certain conditions. The provision is an estimate of the amount due to staff as at the financial year-end, based on the value of leave and the estimated cost amounts to R10,763,155.

It is not the municipality's policy to encash leave in the normal course of business.

| Figures in Rand | 2014 | 2013 |
|---|---|---|

### 21. Provisions (continued)

**Bonuses**

Annual bonuses accrues to employees on a monthly basis, subject to certain conditions. The provision is an estimate of the amount due to staff as at the financial year-end, based on assumptions and the estimated cost amounts to R7,150,086.

### 22. Payables from exchange transactions

| | | |
|---|---|---|
| Trade payables | 28,643,986 | 27,668,915 |
| Payments received in advanced | 6,358,825 | 6,442,338 |
| Retention monies | 5,313,978 | 8,800,316 |
| Builders' deposits | 8,519,007 | 7,811,036 |
| Accrued interest | 5,980,832 | 9,012,949 |
| Deposits received | 420,312 | 376,329 |
| Other payables | 3,473,285 | 6,115,333 |
| Deferred income | 390,394 | 379,706 |
| Control accounts - salaries | 52,549 | 52,915 |
| Control accounts - sundry | 2,364,550 | 5,045,734 |
| | **61,517,718** | **71,705,571** |

### 23. Consumer deposits

| | | |
|---|---|---|
| Electricity | 25,555,677 | 23,941,493 |
| Water | 12,195,318 | 10,990,528 |
| | **37,750,995** | **34,932,021** |

### 24. Property rates

**Rates received**

| | | |
|---|---|---|
| Residential and business | 165,939,231 | 153,076,672 |
| Less: Income forgone | (31,126,599) | (32,277,726) |
| | 134,812,632 | 120,798,946 |
| Property rates - penalties imposed | 820,635 | 772,203 |
| | **135,633,267** | **121,571,149** |

Income forgone is defined as any income that the Overstrand Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

### 25. Service charges

| | | |
|---|---|---|
| Sale of electricity | 268,362,292 | 247,662,847 |
| Sale of water | 95,136,107 | 85,243,449 |
| Sewerage and sanitation charges | 62,797,583 | 56,895,186 |
| Refuse removal | 52,956,535 | 46,637,284 |
| | **479,252,517** | **436,438,766** |

| Figures in Rand | 2014 | 2013 |
|---|---|---|

### 26. Government grants and subsidies

| | | |
|---|---|---|
| **Operating grants** | | |
| Equitable share | 41,949,000 | 36,146,000 |
| National Financial management grant | 1,300,000 | 697,782 |
| National Municipal systems improvement grant | 540,000 | 780,270 |
| Provincial Library grant | 794,800 | 691,159 |
| Provincial Community development workers grant | 49,200 | 69,909 |
| Provincial Thusong service centres grant | 218,000 | 218,000 |
| Provincial Main road subsidy | 2,651,200 | 65,000 |
| National Expanded public works programme | 1,244,000 | 1,332,000 |
| Provincial Financial management support grant | 154,811 | - |
| Provincial Nelson Mandela memorial grant | 100,000 | - |
| Provincial Human settlement developments grant | 18,668,691 | 1,659,228 |
| Provicial Housing consumer education | 47,385 | 18,936 |
| Provincial Mobility strategy | 105,868 | 1,956 |
| Provincial Greenest municipality | 12,360 | - |
| | 67,835,315 | 41,680,240 |
| **Capital grants** | | |
| National Financial management grant | - | 552,218 |
| National Municipal systems improvement grant | 350,000 | 19,730 |
| Provincial Library grant | 10,200 | 12,841 |
| Provincial Community development workers grant | - | 11,091 |
| Provincial Sport and recreation grant | 100,000 | - |
| Provincial Human settlement developments grant | 10,403,709 | 16,650,723 |
| Provincial Municipal infrastructure grant | 18,754,909 | 16,947,000 |
| National Integrated national electricity grant | 2,026,029 | 1,800,000 |
| National Neighbourhood development partners grant | 3,963,000 | 2,418,000 |
| Provincial Mobility strategy | - | 223,015 |
| National Regional bulk infrastructure grant | - | 15,174,089 |
| Provincial Public transport non-motorised infrastructure grant | 2,482,000 | - |
| | 38,089,847 | 53,808,707 |
| | **105,925,162** | **95,488,947** |

**Equitable Share**

This grant is primarily used to subsidise the provision of basic services to indigent households.

All registered indigent households receive a monthly subsidy based on the basic service charges for water, electricity, sewerage, refuse and up to 4,2kl waste water, which is funded from the grant. Indigent households also receive 6kl free water and 50kwh units free electricity per month.

**National Financial management grant**

| | | |
|---|---|---|
| Current-year receipts | 1,300,000 | 1,250,000 |
| Conditions met - transferred to revenue | (1,300,000) | (1,250,000) |
| | **-** | **-** |

**National Municipal systems improvement grant**

| | | |
|---|---|---|
| Current-year receipts | 890,000 | 800,000 |
| Conditions met - transferred to revenue | (890,000) | (800,000) |
| | **-** | **-** |

| Figures in Rand | 2014 | 2013 |
|---|---|---|

**26. Government grants and subsidies (continued)**

**Provincial Library grant**

| | | |
|---|---|---|
| Current-year receipts | 805,000 | 704,000 |
| Conditions met - transferred to revenue | (805,000) | (704,000) |
| | - | - |

**Provincial Community development workers grant**

| | | |
|---|---|---|
| Current-year receipts | 49,200 | 81,000 |
| Conditions met - transferred to revenue | (49,200) | (81,000) |
| | - | - |

**Provincial Thusong service centres grant**

| | | |
|---|---|---|
| Current-year receipts | 218,000 | 218,000 |
| Conditions met - transferred to revenue | (218,000) | (218,000) |
| | - | - |

**Provincial Main road subsidy**

| | | |
|---|---|---|
| Current-year receipts | 2,651,200 | 65,000 |
| Conditions met - transferred to revenue | (2,651,200) | (65,000) |
| | - | - |

**Provincial Housing consumer education grant**

| | | |
|---|---|---|
| Balance unspent at beginning of year | 47,385 | 66,321 |
| Conditions met - transferred to revenue | (47,385) | (18,936) |
| | - | **47,385** |

Conditions still to be met - remain liabilities (see note 19).

**National Expanded public works programme**

| | | |
|---|---|---|
| Current-year receipts | 1,244,000 | 1,332,000 |
| Conditions met - transferred to revenue | (1,244,000) | (1,332,000) |
| | - | - |

**Provincial Sport and recreation grant**

| | | |
|---|---|---|
| Current-year receipts | 100,000 | - |
| Conditions met - transferred to revenue | (100,000) | - |
| | - | - |

**Provincial Nelson Mandela commemoration grant**

| | | |
|---|---|---|
| Current-year receipts | 100,000 | - |
| Conditions met - transferred to revenue | (100,000) | - |
| | - | - |

| Figures in Rand | 2014 | 2013 |
|---|---|---|

**26. Government grants and subsidies (continued)**

**Provincial Human settlement developments grant**

| | | |
|---|---|---|
| Balance unspent at beginning of year | 5,460,898 | 3,418,697 |
| Current-year receipts | 26,395,422 | 20,352,152 |
| Conditions met - transferred to revenue | (29,072,399) | (18,309,951) |
| Transfer to creditor | (402,169) | - |
| | **2,381,752** | **5,460,898** |

Conditions still to be met - remain liabilities (see note 19).

**Provincial Municipal infrastructure grant**

| | | |
|---|---|---|
| Current-year receipts | 18,755,000 | 16,947,000 |
| Conditions met - transferred to revenue | (18,754,909) | (16,947,000) |
| Transfer to creditor | (91) | - |
| | **-** | **-** |

**National Integrated national electricity grant**

| | | |
|---|---|---|
| Current-year receipts | 3,000,000 | 1,800,000 |
| Conditions met - transferred to revenue | (2,026,029) | (1,800,000) |
| Transfer to debtor | (973,971) | - |
| | **-** | **-** |

**National Neighbourhood development partners grant**

| | | |
|---|---|---|
| Current-year receipts | 3,963,000 | 2,418,000 |
| Conditions met - transferred to revenue | (3,963,000) | (2,418,000) |
| | **-** | **-** |

**Provincial Mobility strategy**

| | | |
|---|---|---|
| Balance unspent at beginning of year | 105,868 | 330,839 |
| Conditions met - transferred to revenue | (105,868) | (224,971) |
| | **-** | **105,868** |

Conditions still to be met - remain liabilities (see note 19).

**Provincial Public transport non-motorised infrastructure grant**

| | | |
|---|---|---|
| Balance unspent at beginning of year | 1,500,000 | - |
| Current-year receipts | 982,000 | 1,500,000 |
| Conditions met - transferred to revenue | (2,482,000) | - |
| | **-** | **1,500,000** |

Conditions still to be met - remain liabilities (see note 19).

| Figures in Rand | 2014 | 2013 |
|---|---|---|

### 26. Government grants and subsidies (continued)

**Provincial Financial management support grant**

| | | |
|---|---|---|
| Current-year receipts | 800,000 | - |
| Conditions met - transferred to revenue | (154,811) | - |
| | **645,189** | **-** |

Conditions still to be met - remain liabilities (see note 19).

**Provincial Greenest municipality competition grant**

| | | |
|---|---|---|
| Current-year receipts | 50,000 | - |
| Conditions met - transferred to revenue | (12,360) | - |
| | **37,640** | **-** |

Conditions still to be met - remain liabilities (see note 19).

**National Regional bulk infrastructure grant**

| | | |
|---|---|---|
| Current-year receipts | - | 15,174,089 |
| Conditions met - transferred to revenue | - | (15,174,089) |
| | **-** | **-** |

### 27. Public contributions and donations

| | | |
|---|---|---|
| Spaces for sport | 308,255 | 200,447 |
| National lotto funds | - | 500,000 |
| SAMRAS usergroup | - | 21,672 |
| Public contributions non-cash | 7,871,168 | 4,387,000 |
| Government contributions non-cash | - | 1,500,000 |
| Friedrich Naumann foundation for freedom | 318,809 | - |
| Table mountain fund | 240,000 | - |
| Public contributions cash | 4,670,571 | - |
| ICT projects for libraries | 27,347 | - |
| | **13,436,150** | **6,609,119** |

**Reconciliation of conditional contributions**

| | | |
|---|---|---|
| Balance unspent at beginning of year | 669,172 | 739,620 |
| Current-year receipts | 13,119,496 | 651,672 |
| Conditions met - transferred to revenue | (13,427,750) | (722,120) |
| | **360,918** | **669,172** |

Conditions still to be met - remain liabilities (see note 19)

# Notes to the Financial Statements

| Figures in Rand | 2014 | 2013 |
|---|---|---|

### 28. Other income

| | | |
|---|---|---|
| Administration charges | 129,686 | 156,546 |
| Admission fees | 713,886 | 707,355 |
| Application fees | 8,535 | 19,996 |
| Baboon proof bins | 47,741 | 70,650 |
| Building clause levy | 47,579 | 34,537 |
| Building plan fees | 3,439,415 | 2,879,523 |
| Cemetery fees | 160,824 | 169,446 |
| Collection charges | 2,287,593 | 2,541,512 |
| Commission received | 126,068 | 109,081 |
| Construction of benches | 6,140 | 13,138 |
| Developers contributions | 2,766,148 | 2,614,576 |
| Duplicating charges | 39,349 | 30,298 |
| Legal fees | 433,570 | 220,235 |
| Library fees | 35,510 | 37,144 |
| Parking fees | 1,420,922 | 1,283,802 |
| Plot clearing charges | 372,853 | 307,429 |
| Post office fees | 24,926 | 33,340 |
| Pound fees | 217,879 | 179,462 |
| Private telephone calls recovered | 223,662 | 276,230 |
| Reconnection fees | 809,363 | 894,129 |
| Roadworthy certificates | 492,953 | 463,153 |
| SETA claims | 132,866 | 1,058,174 |
| Searching fees | 35,140 | 29,561 |
| Sundry income | 1,330,165 | 2,636,723 |
| Swimming pool fees | 20,112 | 62,111 |
| Town planning fees | 907,767 | 793,312 |
| Valuation and clearance certificates | 399,855 | 387,677 |
| | **16,630,507** | **18,009,140** |

| Figures in Rand | 2014 | 2013 |
|---|---|---|

### 29. General expenses

| | | |
|---|---|---|
| Advertising | 1,905,263 | 1,510,821 |
| Assets expensed | 396,447 | 299,105 |
| Auditors remuneration | 3,558,922 | 2,869,365 |
| Baboon proof bins | 71,339 | 52,280 |
| Bank charges | 1,331,696 | 1,098,499 |
| Chemicals | 10,553,141 | 8,487,761 |
| Commission paid | 1,019,238 | 4,014,225 |
| Conditional receipts expenses - Housing grants | 24,112,109 | 300,000 |
| Conditional receipts expenses - Other grants | 3,960,070 | 3,832,611 |
| Consulting fees | 9,431,297 | 9,375,545 |
| Contribution to/(from) provisions | (12,398,706) | 3,245,690 |
| Delegate expenses | 173,145 | 174,484 |
| Diesel for boilers | 313,181 | 289,184 |
| Electricity | 3,651,711 | 3,247,947 |
| Fuel and oil | 11,476,637 | 9,903,227 |
| Hermanus public protection | 4,250,718 | 3,920,805 |
| Hire | 1,340,807 | 631,046 |
| Insurance | 2,363,018 | 2,144,527 |
| LED project implementation | 458,759 | 428,811 |
| Lease rentals | 751,883 | 774,276 |
| Legal fees | 3,016,539 | 1,669,414 |
| Management of informal settlements | 1,982,309 | 1,512,589 |
| Occupational health and safety | 194,081 | 222,337 |
| Plot clearing costs | 552,799 | 426,935 |
| Postage and courier | 1,317,998 | 1,285,607 |
| Printing and stationery | 2,035,187 | 1,874,725 |
| Property valuation charges | 442,118 | 1,030,036 |
| Public functions | 210,480 | 276,584 |
| Reference library | 157,798 | 141,962 |
| Refuse/recycle bags | 303,878 | 285,307 |
| Removal costs | 33,020 | 32,001 |
| Security services | 4,262,267 | 3,759,272 |
| Skills development levies | 2,090,299 | 1,921,236 |
| Solid waste chipping | 2,075,900 | 2,151,497 |
| Solid waste haulage | 7,742,491 | 6,318,195 |
| Special projects | 714,259 | 1,270,328 |
| Staff welfare | 127,630 | 89,708 |
| Subscriptions and membership fees | 2,226,053 | 1,829,315 |
| Subsistence and transport | 942,074 | 949,110 |
| Sundry expenses | 2,193,586 | 259,796 |
| Telephone and fax | 2,839,367 | 2,933,650 |
| Title deed search fees | 93,406 | 97,845 |
| Tourism development | 2,796,426 | 2,731,785 |
| Tow in fees | 10,811 | 16,311 |
| Training | 1,803,644 | 2,362,777 |
| Uniforms and protection clothing | 1,949,842 | 1,551,934 |
| Union representative | 38,793 | - |
| Veterinary services | 355,824 | 404,006 |
| Ward committee meetings | 509,800 | 214,700 |
| Water catchment, research and testing | 4,266,354 | 5,294,832 |
| Workmen's compensation assurance | 1,454,480 | 2,631,945 |
| | **117,460,188** | **102,145,948** |

Membership fees paid over to SALGA during the period amounted to R2,169,247 (2013: R1,768,725).

| Figures in Rand | 2014 | 2013 |
|---|---|---|

### 30. Operating surplus / (deficit)

Operating surplus / (deficit) for the year is stated after accounting for the following:

| | | |
|---|---|---|
| **Operating lease charges** | | |
| Premises | | |
| • Contractual amounts | 67,760 | 67,760 |
| • Contingent amounts | 568,339 | 527,829 |
| Equipment | | |
| • Contractual amounts | 115,784 | 178,687 |
| | **751,883** | **774,276** |
| | | |
| Loss on sale of property, plant and equipment | (12,017,434) | (1,755,579) |
| Impairment on property, plant and equipment | - | 425,208 |
| Impairment on heritage assets | - | 9,250,000 |
| Reversal of impairment on other financial assets | - | 451,148 |
| Amortisation on intangible assets | 628,771 | 372,536 |
| Depreciation on property, plant and equipment | 98,732,159 | 94,810,951 |
| Employee costs | 268,577,347 | 238,725,689 |

### 31. Employee related costs

| | | |
|---|---|---|
| Basic | 146,853,707 | 133,031,945 |
| Bonus | 11,534,889 | 10,825,254 |
| Medical aid - company contributions | 8,828,462 | 8,176,057 |
| UIF | 1,357,626 | 1,283,965 |
| Leave pay provision charge | 1,658,769 | 2,138,141 |
| Group life - company contributions | 993,414 | 956,960 |
| Other payroll levies | 78,232 | 73,024 |
| Post-employment benefits - Pension - Defined contribution plans | 41,545,855 | 33,561,988 |
| Overtime payments | 14,370,227 | 12,427,574 |
| Long-service awards | 3,587,158 | 690,261 |
| Acting allowances | 1,257,839 | 1,146,202 |
| Car allowance | 9,749,853 | 9,178,222 |
| Housing benefits and allowances | 967,485 | 1,046,492 |
| Standby allowance | 6,073,431 | 5,367,241 |
| Scarcity allowance | 1,541,022 | 1,528,196 |
| Sundry allowance | 1,680,449 | 2,063,562 |
| Full time union representative | - | 46,543 |
| | **252,078,418** | **223,541,627** |

### 31.1. Remuneration of municipal manager

| | | |
|---|---|---|
| Annual Remuneration | 1,248,736 | 1,173,620 |
| Contributions to UIF, Medical and Pension Funds | 297,210 | 280,368 |
| Entertainment | 12,000 | 14,400 |
| | **1,557,946** | **1,468,388** |
| | | |
| Cellphone allowance | 19,872 | 19,872 |

# Notes to the Financial Statements

| Figures in Rand | 2014 | 2013 |
|---|---|---|

**31. Employee related costs (continued)**

**31.2. Remuneration of chief finance officer**

| | | |
|---|---|---|
| Annual Remuneration | 1,131,589 | 1,047,628 |
| Car Allowance | 48,000 | 4,000 |
| Contributions to UIF, Medical and Pension Funds | 249,259 | 291,983 |
| entertainment | 6,000 | 7,200 |
| | **1,434,848** | **1,350,811** |
| Cellphone allowance | 19,872 | 19,872 |
| Acting allowance | - | 2,990 |
| Leave | - | 82,440 |
| | **19,872** | **105,302** |

**31.3. Remuneration of director: Management services**

| | | |
|---|---|---|
| Annual Remuneration | 807,831 | 753,544 |
| Car Allowance | 72,000 | 72,000 |
| Contributions to UIF, Medical and Pension Funds | 185,166 | 174,436 |
| Entertainment | 6,000 | 5,917 |
| Housing subsidy | 5,736 | 6,000 |
| | **1,076,733** | **1,011,897** |
| Cellphone allowance | 19,872 | 19,872 |

**31.4. Remuneration of director: Community services**

| | | |
|---|---|---|
| Annual Remuneration | 1,060,092 | 994,401 |
| Car Allowance | 78,000 | 78,000 |
| Contributions to UIF, Medical and Pension Funds | 39,697 | 36,680 |
| Entertainment | 8,082 | 8,082 |
| Computer allowance | 3,912 | 3,912 |
| | **1,189,783** | **1,121,075** |
| Cellphone allowance | 19,872 | 19,872 |

**31.5. Remuneration of director: Infrastructure and planning**

| | | |
|---|---|---|
| Annual Remuneration | 1,108,245 | 1,039,368 |
| Car Allowance | 48,000 | 48,000 |
| Contributions to UIF, Medical and Pension Funds | 268,450 | 249,340 |
| Entertainment | 9,000 | 8,825 |
| Computer allowance | 4,800 | 5,256 |
| | **1,438,495** | **1,350,789** |
| Cellphone allowance | 19,872 | 19,872 |

| Figures in Rand | 2014 | 2013 |
|---|---|---|
| **31. Employee related costs (continued)** | | |
| **31.6. Remuneration of director: Local economic development** | | |
| Annual Remuneration | 745,132 | 743,975 |
| Car Allowance | 110,000 | 120,000 |
| Contributions to UIF, Medical and Pension Funds | 39,673 | 34,181 |
| Entertainment | 16,667 | 19,995 |
| | **911,472** | **918,151** |
| Cellphone allowance | 19,872 | 19,872 |
| **31.7. Remuneration of director: Protection services** | | |
| Annual Remuneration | 792,044 | 744,316 |
| Car Allowance | 120,000 | 93,000 |
| Contributions to UIF, Medical and Pension Funds | 35,097 | 34,616 |
| Entertainment | 10,000 | 6,888 |
| | **957,141** | **878,820** |
| Cellphone allowance | 19,872 | 19,872 |
| **Total employee related costs** | **260,644,836** | **231,641,558** |
| **32. Remuneration of councillors** | | |
| Executive Major | 677,826 | 645,549 |
| Deputy Executive Mayor | 542,261 | 516,439 |
| Mayoral Committee Members [2014: 4; 2013: 4] | 2,033,480 | 1,936,648 |
| Speaker | 542,261 | 516,439 |
| Councillors [2014: 18; 2013: 18] | 3,618,934 | 3,469,056 |
| Cellphone allowance | 517,749 | - |
| | **7,932,511** | **7,084,131** |
| **33. Debt impairment** | | |
| Contributions to debt impairment provision | 12,525,633 | 6,683,018 |
| Debts impaired | - | 5,300 |
| | **12,525,633** | **6,688,318** |
| **34. Investment revenue** | | |
| **Interest revenue** | | |
| Other financial assets | 3,172,131 | 5,991,154 |
| Bank | 2,327,900 | 1,535,352 |
| Interest charged on trade and other receivables | 2,117,868 | 2,199,158 |
| Interest received - other | 852,210 | 28,008 |
| | **8,470,109** | **9,753,672** |

The amount included in Investment revenue arising from exchange transactions amounted to R 2,117,868 (2013: R 2,199,158).

The amount included in Investment revenue arising from non-exchange transactions amounted to R 6,352,241 (2013: R 7,554,514).

| Figures in Rand | 2014 | 2013 |
|---|---|---|
| **35. Fair value adjustments** | | |
| Investment property (Fair value model) | (7,860,700) | 49,154,610 |
| Other financial assets | | |
| • Other financial assets (Designated as fair value) | 839,595 | 494,139 |
| | **(7,021,105)** | **49,648,749** |
| **36. Depreciation and amortisation** | | |
| Property, plant and equipment | 98,732,159 | 94,810,951 |
| Intangible assets | 628,771 | 372,536 |
| | **99,360,930** | **95,183,487** |
| **37. Impairment of assets** | | |
| **Impairments** | | |
| Property, plant and equipment | - | 425,208 |
| Heritage assets | - | 9,250,000 |
| | **-** | **9,675,208** |
| **Reversal of impairments** | | |
| Other financial assets | - | (451,148) |
| **Total impairment losses (recognised) / reversed** | **-** | **9,224,060** |
| **38. Finance costs** | | |
| Finance leases | 69,809 | 132,847 |
| Current borrowings | 39,857,502 | 37,198,618 |
| | **39,927,311** | **37,331,465** |
| **39. Auditors' remuneration** | | |
| Fees | 3,558,922 | 2,869,365 |
| **40. Contracted services** | | |
| Vehicle maintenance | 5,665,481 | 4,925,230 |
| Ward projects | 2,129,194 | 5,678,549 |
| Maintenance contractors | 49,471,279 | 45,380,300 |
| Contracted services | 15,488,167 | 11,713,136 |
| | **72,754,121** | **67,697,215** |
| **41. Grants and subsidies paid** | | |
| **Other subsidies** | | |
| Low income house-hold subsidies | 38,297,993 | 35,458,345 |
| Grants to organisations | 451,296 | 398,000 |
| | **38,749,289** | **35,856,345** |
| **42. Bulk purchases** | | |
| Electricity | 157,055,063 | 145,021,600 |

| Figures in Rand | 2014 | 2013 |
|---|---|---|

### 43. Cash generated from operations

| | | |
|---|---|---|
| (Deficit) / surplus | (45,014,527) | 10,898,543 |
| **Adjustments for:** | | |
| Depreciation and amortisation | 99,360,930 | 95,183,487 |
| Gain on sale of assets and liabilities | 12,017,434 | 1,755,579 |
| Fair value adjustments | 7,021,105 | (49,648,749) |
| Finance costs - Finance leases | 69,809 | 132,847 |
| Impairment deficit | - | 9,224,060 |
| Debt impairment | 12,525,633 | 6,688,318 |
| Movements in operating lease assets and accruals | 88,686 | 75,263 |
| Movements in retirement benefit assets and liabilities | 15,788,508 | 8,415,000 |
| Movements in provisions | (8,586,685) | 5,629,098 |
| Movement in housing development fund | 673,351 | (28,335) |
| Movement in self insurance fund | 619,808 | 1,333,035 |
| **Changes in working capital:** | | |
| Inventories | 7,119,953 | (3,811,083) |
| Receivables from exchange transactions | 368,971 | (5,109,968) |
| Consumer debtors | 1,638,513 | 406,809 |
| Other receivables from non-exchange transactions | (14,941,900) | (9,501,557) |
| Payables from exchange transactions | (10,187,859) | 3,967,037 |
| VAT | 2,411,788 | (2,917,268) |
| Unspent conditional grants and receipts | (4,357,824) | 3,227,845 |
| Consumer deposits | 2,818,974 | 3,725,598 |
| | **79,434,668** | **79,645,559** |

### 44. Commitments

**Authorised capital expenditure**

| | | |
|---|---|---|
| **Contracts entered into** | | |
| • Property, plant and equipment | 5,287,778 | 13,565,429 |
| **Contracts not initiated but budget approved by council** | | |
| • Property, plant and equipment | 97,720,534 | 123,509,115 |

**Operating leases - as lessee (expense)**

| | | |
|---|---|---|
| **Minimum lease payments due** | | |
| - within one year | 74,280 | 133,010 |
| - in second to fifth year inclusive | - | 74,280 |
| | **74,280** | **207,290** |

Operating lease payments represent rentals payable by the municipality for office equipment and office space. Leases are negotiated for an average term of 3 years and rentals are fixed for the lease term.

**Operating leases - as lessor (income)**

| | | |
|---|---|---|
| **Minimum lease payments due** | | |
| - within one year | 263,957 | 353,771 |
| - in second to fifth year inclusive | 508,895 | 772,852 |
| - later than five years | 3,090,621 | 3,090,621 |
| | **3,863,473** | **4,217,244** |

Certain of the municipality's property is held to generate rental income. Lease agreements are non-cancellable and have terms from 3 to 99 years. There are no contingent rents receivable.

# Notes to the Financial Statements

| Figures in Rand | 2014 | 2013 |
|---|---|---|

## 45. Contingencies

### Contingent liabilities

Kleynhans Family Trust vs Overstrand Municipality

The applicant filed a notice of motion in the Westen Cape High Court requesting that the municipality be ordered to ensure that the Fernkloof Estate is fully protected by electrified fencing that is designed to prevent unauthorised access to the estate.

The matter is still pending in the Western Cape High Court. An application to dismiss the claim is expected to be heard December 2014. The municipality's exposure is approximately R3,500,000.

David Abbot vs Overstrand Municipality

The applicant filed for damages to property due to flooding of the Klein River estuary. The matter served before the Western Cape High Court in August 2014. We received written confirmation from our attorneys that the court dismissed the application with cost including the cost of two counsel's. We are currently awaiting the courts judgment. The municipality's exposure was approximately R500,000.

H Myburgh vs the Minister of Police and two others

A senior official of the Municipality was alleged to have assaulted a member of the public. The municipality was joined as a third party respondent by the defendant, being the Minister of Police. The claim is R600,000 however, Overstrand Municipality has no financial exposure to this claim as it is covered in terms of the municipality's insurance portfolio.

Erf 17 Van Dyks Bay

The municipality is involved in settlement discussions with the Pierre Smit Family Trust to register a servitude over the portion of its property where on a public road has been built. The owners of the adjoining properties have already paid for the registration costs and await signiture of the agreement and registration of the servitude. The municipality's exposure is approximately R400,000.

### Contingent assets

New Republic Bank

The municipality has an investment with New Republic Bank. The bank is under receivership since October 1999. Interest only accrued untill 31 December 2007. There is no guarantee that the municipality will receive the full value of the investment. After the 2013 financial year-end, a dividend of R0.5268 on the capital still outstanding has been received. Therefore the a portion of the impairment was reversed. This brings the total payout to 99.15% of the original investment.

Due to the fact that the majority of the debt still to be collected, by the receivers, involve some form of legal action, it is not possible to determine a date as to when the liquidation process will be completed.

Management impaired this investment from R2,631,821 to Rnil in 2010/2011 financial year. The exposure is approximately R405,181.

## 46. Related parties

**Relationships**

| | |
|---|---|
| Members of key management | Refer to note 31.1 to 31.7 and 32 |

There were no related party transactions that accurred during the period under review.

# Notes to the Financial Statements

| Figures in Rand | 2014 | 2013 |
|---|---|---|

## 47. Comparative figures

The information presented below is only the statement of financial position and statement of financial performance items that have been affected by adjustments to comparative figures. The comparative figures have been adjusted for the following reasons:

**Accounting errors:**

Accounting errors relating to prior periods have been identified during the 2013/2014 financial period. These errors include mathematical errors[1] , misapplication of accounting policies[2], oversight or misinterpretation of facts[3] , and effects of fraud[4]

**Changes in classification:**

Changes in classification were due to bringing items in line with National Treasury's budget guidelines.

**Changes in accounting policies:**

Changes in accounting policies were due to GRAP 25 regarding Employee benefits that became effective on 1 July 2013 and needs to be implemented retrospectively.

Refer to note 2

The correction of errors and change in accounting policy detailed below has the following impact on the global opening balances as at 1 July 2012:

| | | |
|---|---|---|
| Assets: | Receivables from non-exchange transactions | 3,988,662 |
| | Receivables from exchange transactions | 31,895 |
| | Fixed assets | (9,402,516) |
| Liabilities: | Payables from exchange transactions | (4,566,408) |
| | Finance lease obligation | 19,041 |
| Reserves: | Accumulated surplus | 9,929,327 |

| Figures in Rand | 2014 | 2013 |
|---|---|---|

**47. Comparative figures (continued)**

| | Amount previously reported | Accounting errors | Change in classification | Changes in accounting policy | Restated amount |
|---|---|---|---|---|---|
| **Statement of financial position** | | | | | |
| **Assets** | | | | | |
| **Current assets** | | | | | |
| Inventories [1 3] | 18,936,723 | 1,320,000 | - | - | 20,256,723 |
| Receivables from exchange transactions [1] | 25,548,796 | 33,490 | 1,193,255 | - | 26,775,541 |
| Receivables from non-exchange transactions [1 2] | 11,606,866 | 5,835,036 | (1,193,255) | - | 16,248,647 |
| Consumer debtors [1] | 49,080,265 | (55,078) | - | - | 49,025,187 |
| **Non-current assets** | | | | | |
| Property, plant and equipment [1 3] | 3,006,327,423 | (8,780,616) | - | - | 2,997,546,807 |
| Hertitage assets [1 3] | 99,322,044 | 251,000 | - | - | 99,573,044 |
| **Liabilities** | | | | | |
| **Current liabilities** | | | | | |
| Payables from exchange transactions [1 3] | (66,860,021) | (4,845,554) | - | - | (71,705,575) |
| **Non-current liabilities** | | | | | |
| Finance lease obligation [1] | (259,781) | 22,117 | - | - | (237,664) |
| **Net assets** | | | | | |
| **Reserves** | | | | | |
| Accumulated surplus [1 2 3] | (2,855,854,062) | 6,219,606 | - | - | (2,849,634,456) |
| **Statement of financial performance** | | | | | |
| **Revenue** | | | | | |
| **Revenue from exchange transactions** | | | | | |
| Service charges [1] | 437,030,176 | (591,409) | - | - | 436,438,767 |
| Rental of facilities and equipment [1] | 7,208,321 | 3,490 | - | - | 7,211,811 |
| Other income [1] | 21,812,393 | 114,962 | (3,918,214) | - | 18,009,141 |
| **Revenue from non-exchange transactions** | | | | | |
| Property rates [1] | 116,321,052 | 559,679 | 3,918,214 | - | 120,798,945 |
| Property rates-penalties imposed [1] | 914,328 | (142,124) | - | - | 772,204 |
| Public contributions and donations [1 3] | 5,289,119 | 1,320,000 | - | - | 6,609,119 |
| Fines [1 2] | 6,643,860 | 7,600,271 | - | - | 14,244,131 |
| Interest received [1] | 9,752,077 | 1,595 | - | - | 9,753,672 |
| **Expenditure** | | | | | |
| Employee related costs [1] | (231,527,296) | (114,262) | - | - | (231,641,558) |
| Finance costs [1] | (37,309,747) | (21,718) | - | - | (37,331,465) |
| Materials [1] | (12,436,890) | (3,884) | - | - | (12,440,774) |
| Contracted services [1] | (67,600,660) | (96,555) | - | - | (67,697,215) |
| General expenses [1] | (102,106,629) | (39,327) | - | - | (102,145,956) |
| Depreciation [1 3] | (96,076,386) | 892,900 | - | - | (95,183,486) |
| Impairment loss [1 3] | (9,204,060) | (20,000) | - | - | (9,224,060) |
| Debt impairment [1 2] | (934,421) | (5,753,897) | - | - | (6,688,318) |

| Figures in Rand | 2014 | 2013 |
|---|---|---|

### 48. Risk management

**Financial risk management**

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Finance directorate monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk and liquidity risk. Compliance with policies and procedures are reviewed by the internal auditors on a continuous basis and annually by the external auditors. The municipality does not enter into or trade with financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

**Liquidity risk**

The municipality’s risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

**Credit risk**

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

| | | |
|---|---|---|
| **Counter parties with external credit rating (Fitch's):** | | |
| **Investments** | | |
| F1 | 50,039,377 | 55,041,546 |
| F2 | 16,965,036 | 11,596,589 |
| **Counter parties without external credit rating:** | | |
| **Receivables from exchange and non-exchange transactions** | | |
| Group1 | 9,465,278 | 6,565,827 |
| Group3 | 15,800,993 | 21,325,191 |
| Group4 | 19,740,950 | 15,133,169 |
| **Consumer debtors** | | |
| Group1 | 13,179,322 | 16,771,547 |
| Group2 | 782,095 | 839,736 |
| Group3 | 1,390,364 | 1,214,282 |
| Group4 | 32,099,155 | 30,199,623 |
| **Long term receivables** | | |
| Group4 | 91,447 | 101,003 |
| | **159,554,017** | **158,788,513** |

**48. Risk management (continued)**

F1 = Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments.

F2 = Good credit quality. A satisfactory capacity for timely payment of financial commitments.

F3 = Fair credit quality. The capacity for timely payment of financial commitments is adequate.

Group 1 = Speculative. Minimal capacity for timely payment of financial commitments, plus vulnerability to near term adverse changes in the financial and economic conditions.

Group 2 = Fair credit quality. The capacity for timely payment of financial commitments is adequate.

Group 3 = Good credit quality. A satisfactory capacity for timely payment of financial commitments.

Group 4 = Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments.

**Market risk**

**Interest rate risk**

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk. The municipality policy is to maintain approximately 60% of its borrowings in fixed rate instruments. During 2014 and 2013, the municipality's borrowings at variable rate were denominated in the Rand.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment. In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Interest rate risk for trade and other payables is managed by ensuring that all payments are made within 30 days of receipt of statement, as prescribed by the MFMA.

Interest rate sensitivity analysis:
Financial assets:
If the average interest rate at a given date had been 100 basis points higher, with all other variables held constant, the fair value impact on the Statement of Financial Performance would have been R124,690 (2013: R175,933) with the opposite effect if the interest rate had been 100 basis points lower.

Financial liabilities:
If the average interest rate at a given date had been 100 basis points higher, with all other variables held constant, the fair value impact on the Statement of Financial Performance would have been R58,637 (2013: R70,691) with the opposite effect if the interest rate had been 100 basis points lower.

**Cash flow interest rate risk**

| Financial instrument | Current interest rate | Due in less than a year | Due in one to two years | Due in two to five years | Due after five years | Total |
|---|---|---|---|---|---|---|
| Trade and other receivables - normal credit terms | 12.75 % | 38,587,592 | 8,863,343 | - | - | 47,450,935 |
| Cash in current banking institutions | 4.81 % | 63,142,435 | - | - | 15,980 | 63,158,415 |
| Fixed interest rate instruments | 10.43 % | 61,504,237 | 61,096,639 | 180,167,482 | 442,256,721 | 745,025,079 |
| Variable interest rate instruments | 8.09 % | 1,382,872 | 1,293,488 | 3,334,789 | 1,067,742 | 7,078,891 |

| Figures in Rand | 2014 | 2013 |
|---|---|---|

### 49. Unauthorised expenditure

| | | |
|---|---|---|
| Overspending of the total amount appropriated in the municipality's approved budget | 4,887,858 | - |
| **Overspending of the total amount per vote appropriated in the municipality's approved budget** | | |
| Directorate: Council general | 5,869,791 | - |
| Directorate: Protection services | 12,151,366 | - |
| | **18,021,157** | **-** |

Unauthorised expenditure awaiting authorisation.

Directorate: Councils' general budget was overspent due to the adjustment of the actuarial valuation for health care benefits to the latest actuarial valuation.

Directorate: Protection services' budget was overspent due to the implementation of IGRAP 1 regarding the measurement of impairment for traffic fines.

The total budget was overspent due to the net effect of the items listed above.

### 50. Fruitless and wasteful expenditure

| | | |
|---|---|---|
| Opening balance | 176,250 | 203,050 |
| Non-compliance with NEMA | - | 10,000 |
| Plot clearing charges not collected | 3,848 | - |
| Interest paid on overdue account | 738 | - |
| Administration fee for plot clearing charges not collected | 1,000 | - |
| Recovered / written-off by council | - | (36,800) |
| | **181,836** | **176,250** |

### 51. Irregular expenditure

| | | |
|---|---|---|
| Opening balance | 34,416,090 | 22,428,829 |
| Procuring goods and services without obtaining three quotations | - | 16,479 |
| Procuring goods and services without following any official procurement process | 250,109 | 234,913 |
| The procurement of goods from a person in the service of the state | - | 15,600 |
| Tenders not advertised for 30 days as prescribed | 4,579,371 | 10,546,029 |
| Procuring goods and services without adhering to the provisions of contracts longer than 3 years | 504,720 | 1,174,240 |
| Certified as irrecoverable and written-off / Recovered / Condoned | (34,603,060) | - |
| | **5,147,230** | **34,416,090** |

Expenditure was incurred in contravention with the municipality's supply chain management policy. Irregular expenditure was approved in accordance with the supply chain management policy.

### 52. Actual operating expenditure versus budgeted operating expenditure

Refer to Appendix E(1) for the comparison of actual operating expenditure versus budgeted expenditure.

### 53. Actual capital expenditure versus budgeted capital expenditure

Refer to Appendix E(2) for the comparison of actual capital expenditure versus budgeted expenditure.

| Figures in Rand | 2014 | 2013 |
|---|---|---|

**54. Deviation from supply chain management regulations**

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the council and includes a note to the financial statements.

Refer to pages 64 - 68 for the supply chain management deviations.

**55. Multi-employer retirement benefit information**

Overstrand Municipality makes provision for post-retirement benefits to eligible councillors and employees, who belong to different pension schemes.

One councillor belongs to the Pension Fund for Municipal Councillors.

Employees belong to a variety of approved Pension and Provident Funds as described below.

These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

All of these afore-mentioned funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R41.5 million (2013: R33.5 million) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

**DEFINED BENEFIT SCHEMES**

Cape Joint Pension Fund:

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2013. The scheme both operates a Defined benefit and Defined contribution scheme.

Defined Benefit Scheme:
The contribution rate payable under the defined benefit section is 27%, 9% by the members and 18% (up to 31 January 2012) and 23.06% (from 1 February 2012) by their councils. The actuarial valuation report at 30 June 2013 disclosed an actuarial valuation amounting to R3,226,863 million (2012 : R3,014,878 million), with a net accumulated deficit of R10,030 million (2012 : R18,287 million), with a funding level of 99.7% (2012 : 99.4%).

Defined Contribution Scheme:
The actuarial valuation report at 30 June 2013 indicated that the defined contribution scheme of the fund is in a sound financial position, with a assets amounting to R483.6 million (2012 : R421.9 million), net investment reserve of R21,231 million (2012 : R21,231 million) and a funding level of 99.8% (2012 : 105.3%).

South African Local Authorities Pension Fund (SALA):

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 1 July 2013.

The statutory valuation performed as at 1 July 2013 revealed that the assets of the fund amounted to R10,439.2 million (2012 : R8,753.4 million), with funding levels of 100% (2012 : 100%). The contribution rate paid by members was 9% and by Council 18% and is sufficient to fund the benefits accruing from the fund in the future.

| Figures in Rand | 2014 | 2013 |
|---|---|---|

**55. Multi-employer retirement benefit information (continued)**

**DEFINED CONTRIBUTION SCHEMES**

Cape Joint Retirement Fund:

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2013.

The statutory valuation performed as at 30 June 2013 revealed that the assets of the fund amounted to R13,639,228 million (2012 : R11,348,285 million), with funding levels of 100.2% and 105% (2012 : 99.9% and 108%) for the Share Account and the Pensions Account respectively. The contribution rate paid by the members (8%) and the municipalities (19%) is sufficient to fund the benefits accruing from the fund in the future.

Municipal Councillors Pension Fund:

The scheme is subject to an actuarial valuation every three years. The last statutory valuation was performed as at 30 June 2012.

The statutory valuation performed as at 30 June 2012 revealed that the assets of the fund amounted to R1,384,387,612 (2009 : R1,123,672,020) with funding levels of 101.6% (2009 : 102.0%). The contribution rate paid by the members (13,75%) and the municipalities (15,00%) is sufficient to fund the benefits accruing from the fund in the future.

South African Municipal Workers Union National Provident Fund:

The last statutory valuation was performed as at 30 June 2008.

The statutory valuation performed as at 30 June 2008 revealed that the fund had a funding level of 100,0% (30 June 2005 : 100,0%). The contribution rate paid by the members not less than 7.50% (2005 : 5,00%) and Council not less than 18.00% (2005 : 12,00%) is sufficient to fund the benefits accruing from the fund in the future.

The next statutory valuation is due not later than 30 June 2011. Valuation not yet received.

**56. Distribution losses**

| | | |
|---|---|---|
| **Water** | | |
| **Technical losses** | | |
| Rand value | 544,084 | 818,413 |
| No. of units (kl) | 164,119 | 397,361 |
| % loss | 2.42 % | 5.50 % |
| **Non-technical losses** | | |
| Rand value | 5,726,220 | 3,829,726 |
| No. of units (kl) | 1,455,231 | 1,444,853 |
| % loss | 21.47 % | 20.01 % |
| **Electricity** | | |
| **Technical losses** | | |
| Rand value | 5,903,985 | - |
| No. of units (kWh) | 11,482,704 | - |
| % loss | 5.00 % | - % |
| **Non-technical losses** | | |
| Rand value | 1,124,096 | 7,101,127 |
| No. of units (kWh) | 2,186,263 | 15,831,477 |
| % loss | 0.95 % | 6.91 % |

Water losses to the amount of R 5,726,220 (21.47 %) were incurred as a result of unmetered connections, aging pipeline infrastructure, burst pipes, old reticulation networks and other leakages. Alien vegetation infestation in watercourses and catchment areas are also a contributing factor.

| Figures in Rand | 2014 | 2013 |
|---|---|---|

**56. Distribution losses (continued)**

Cost per kilolitre was calculated using the following basis:

The cost of water treatment and raw water is used in calculating the cost per kilolitre as follows:
General expenses (excluding departmental charges), direct labour attributable to the purification of water, depreciation based on the cost of attributable infrastructure assets and all repair and maintenance.
The total expenditure is then divided by the total kilolitres of water purified during the year and this equals the cost per kilolitre.

Electricity losses to the amount of R 5,903,985 ( 5.00 %) were incurred as a result of technical losses caused by the nature of electricity and the manner of its distribution, via the network, status/condition and age of the network, weather conditions and load on the system as well as non-technical losses, e.g. theft and vandalism, to the amount of R 1,124,096 ( 0.95 %).

Technical losses for 2012/2013 was not recorded and was therefore included in non-technical losses.

**57. Budget differences**

**Changes from the approved budget to the final budget**

The changes between the approved and final budget are a consequence of changes in the overall budget parameters.

Explanations for variances over 10% between budget and actual figures.

**Statement of Comparison of Budget and Actual Amounts**

Statement of financial performance:

Revenue:

Rentals - (11%) - Onrus caravan park revenue down by 26% (R973 000) due to economic factors.

Penalties imposed on property rates - (18%) - Fewer property owners defaulted on payment deadlines.

Public contributions - 263% - Non cash contributions for land that vested to the municipality and cash contribution in lieu of GAP housing project.

Traffic fines - 202% - Additional revenue recognition of traffic fines with the implementation of IGRAP1.

Expenditure:

Debt impairment - Impairment of traffic fines with the implementation of IGRAP1.

General expenses - (13%) - Write back of current year and previous years provision for rehabiliation of tip sites due to change in legislation amounting to R3,4m & R12,3m respectively.

Gain/Loss on disposal of assets - (2588%) - Budgeting subject to impracticalities for the determination of the outcome in advance.

Fair value - (1036%) - Budgeting subject to impracticalities for the determination of the outcome in advance.

Statement of financial position:

Inventories - 13% - Not all the low cost housing units at Eluxolweni were transferred by 30 June as expected.

VAT receivable - Budgeting subject to impracticalities for the determination of the outcome in advance.

Sale of Sandbaai Commonage did not materialise and reduced services revenue

| Figures in Rand | 2014 | 2013 |
|---|---|---|

**57. Budget differences (continued)**

NCAHFS - (89%) - Sale of Sandbaai Commonage did not materialise

Unspent Grants - Mainly relating to housing allocations for projects that could not be completed by year end due to various factors.

Housing Development Fund - 33% - Additional revenue from the transfer of 40 of the 66 Hawston erven to private owners

Cash flow statement:

Proceeds on sale of assets - (46%) - Budgeting subject to impracticalities for the determination of the outcome in advance.

Sale of Sandbaai Commonage did not materialise and reduced services revenue.

NCAHFS - 100% - Proceeds on the sale of non-current assets held for sale.

**Appendix E(1)**

Comments are the same as for the financial performance above.

**Appendix E(2)t**

Housing - (28%) - Certain housing related projects could not be completed due to adverse weather conditions.

Waste water management/Sewerage - (17%) - Projects were completed below budget.

**58. Awards to close family members of persons in the service of the state**

Refer to pages 69 - 72.

# Supply Chain Management

## DEVIATIONS FROM THE POLICY, APPROVED IN TERMS OF CLAUSE 36(1)(a) FOR THE 2013/2014 FINANCIAL YEAR

| # | Deviation # | Dated | Received | Approved | Deviations | Report to Council | Description | Responsible Official | Awarded to | Amount Operational | Amount Capital | VAT @ 14% | Value of the Deviation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | SCD2638 | 2013/07/04 | 2013/07/04 | 2013/07/11 | Clause 36(1)(a)(v) | 01 | The identification and repair of fault with the transmission for Backhoe Loader CEM 31789, which had a faulty transmission control valve, via a strip-and-quote process. | Manager: Corporate Services, Arendse JJF | Barloworld Equipment, a division of Barloworld South Africa (Pty) Ltd | R 19,827.35 | | R 2,775.83 | R 22,603.18 |
| 2 | SCD2639 | 2013/07/10 | 2013.07.11 (Updated: 2013.07.18) | 2013/07/18 | Clause 36(1)(a)(v) | 01 | The booking of a space at the Gauteng Getaway Show, 30 August to 01 September 2013, without requesting quotations from other show organizers due to the uniqueness of the show and the Municipality's intended target market | Manager: Tourism, Greeff S | Ramsay Media (Pty) Ltd | R 16,776.00 | | R 2,348.64 | R 19,124.64 |
| 3 | SCD2640 | 2013/07/15 | 2013.07.16 (Updated: 201307.24) | 2013/07/29 | Clause 36(1)(a)(v) | 01 | Provision of electricity power quality monitoring services for a 1 year period by the manufacturer and supplier of the system employed by the municipality, with the provision that S116(3) of the MFMA will be adhered to by 30 June 2014. | Senior Manager: Chief Electro Technical Services, Du Plessis K | CT Lab (Pty) Ltd | R 120,000.00 | | R 16,800.00 | R 136,800.00 |
| 4 | SCD2641 | 2013/07/15 | 2013.07.16 (Updated: 201307.22) | 2013/07/23 | Clause 36(1)(a)(v) | 01 | Update of PMAX software & the auditing of bulk meters by a specialist service provider with the needed equipment and experience, who is also the original implementer and developer of the current system, with the provision that the preferred due process (tender or s116(3)) be adhered to by 30 June 2014. | Senior Manager: Chief Electro Technical Services, Du Plessis K | PJ Technologies Cape CC | R 32,462.23 | | R 4,544.71 | R 37,006.94 |
| 5 | SCD2642 | 2013/07/18 | 2013.07.18 (Updated: 201307.22) | 2013/07/24 | Clause 36(1)(a)(v) | 01 | Procurement of Specialised testing kits for Water testing Equipment at the Gansbaai Wastewater Treatment Works, from the authorised distributor as per the attached memorandum. | Superintendent: Water and Sanitation, Franken H | PREI Instrumentation (Pty) Ltd | R 23,460.00 | | R 3,284.40 | R 26,744.40 |
| 6 | SCD2643 | 2013/07/08 | 2013.07.11 (Updated: 2013.07.22) | 2013/07/24 | Clause 36(1)(a)(v) | 01 | Procurement of credits for a postage franking machine for Gansbaai Administration from the sole service provider for this specific equipment, for the period ending 30 June 2014 and not exceeding a total cost of R 39 000.00, inclusive of VAT. | Senior Manager: Gansbaai and Standford, Myburgh F | Earlyworx 282 (Pty) Ltd | R 34,210.53 | | R 4,789.47 | R 39,000.00 |
| 7 | SCD2644 | 2013/07/10 | 2013.07.15 (Updated: 2013.07.23) | 2013/07/29 | Clause 36(1)(a)(v) | 01 | Renewal of Novell licenses from an authorized Novell reseller, who is also the current service provider for the Provision of Data Support and ICT Advisory Services, in order to mitigate potential security risks and unforeseen disruptions in service delivery of the Data Centre. | Manager: IT Communication & Technology, van Staden J | Lateral Dynamics (Pty) Ltd | R 680,525.00 | | R 95,273.50 | R 775,798.50 |
| 8 | SCD2645 | 2013/07/22 | 2013/07/22 | 2013/07/30 | Clause 36(1)(a)(v) | 01 | The identification and repair of fault with a brushcutter via a strip-and-quote process, as it is required that the supplier first investigate the equipment before providing a reliable quote | Manager: Corporate Services, Arendse JJF | Hermanus Mower Centre | R 3,239.48 | | R 453.53 | R 3,693.01 |
| 9 | SCD2646 | 2013/07/25 | 2013/07/26 | 2013/08/07 | Clause 36(1)(a)(v) | 02 | The procurement of system specific Payroll IRP5 training on 05 and 06 September 2013, for one municipal employee, by current service provider of the municipality's personnel and payroll system. | Senior Manager: HR Bucchianeri L | Pay-Day Software Systems | R 3,508.77 | | R 491.23 | R 4,000.00 |
| 10 | SCD2647 | 2013/08/01 | 2013/08/01 | 2013/08/13 | Clause 36(1)(a)(v) | 02 | Procurement of credits for a postage franking machine for Hermanus Administration from the sole service provider for this specific equipment, for the period ending 30 June 2014 | Manager: Council Support Services Van Tonder H | Earlyworx 282 (Pty) Ltd | R 149,122.81 | | R 20,877.19 | R 170,000.00 |
| 11 | SCD2649 | 2013/08/06 | 2013/08/06 (updated: 2013/08/15) | 2013/08/15 | Clause 36(1)(a)(v) | 02 | The procurement of a service provider for the establishment of an exhibition stand at the Gauteng Getaway Show, to be held on 30 August – 01 September 2013 only for 1 of the 3 shows requested in the Formal Written Quotation as there is too little time allowed before establishment of the stand is needed for the show | Manager: Tourism, Greeff S | Scan Display Solutions (Pty) Ltd | R 15,730.00 | | R 2,202.20 | R 17,932.20 |
| 12 | SCD2650 | 2013/08/12 | 2013/08/12 | 2013/08/21 | Clause 36(1)(a)(v) | 02 | Calibration of Truvelo speed law enforcement equipment by the sole supplier and manufacturer of the equipment including service, repair, maintenance and installation. | Chief: Traffice Services Fraser R | Truvelo Manufacturers (Pty) Ltd | R 9,809.04 | | R 1,373.27 | R 11,182.31 |
| 13 | SCD2651 | 2013/07/05 | 2013/08/12 (Updated: 2013/08/27) | 2013/08/28 | Clause 36(1)(a)(v) | 02 | The servicing, calibration and possible repair of Drager breathalyzer equipment, by the sole importer, supplier and service company of Drager equipment in South Africa. | Chief: Traffice Services Fraser R | Drager South Africa (Pty) Ltd | R 1,900.00 | | R 266.00 | R 2,166.00 |
| 14 | SCD2652 | 2013/08/13 | 2013/08/13 (Updated: 2013/08/21) | 2013/08/21 | Clause 36(1)(a)(v) | 02 | The identification of fault with the hydraulic cylinder of vehicle CEM 15338, which had begun leaking, via a strip-and-quote process. | Manager: Corporate Services, Arendse JJF | Hyco Hydraulics & Pneumatics CC | R 2,670.00 | | R 373.80 | R 3,043.80 |
| 15 | SCD2653 | 2013/08/13 | 2013/08/13 (Updated: 2013/08/21) | 2013/08/21 | Clause 36(1)(a)(v) | 02 | The inspection of fault with the switchgear of vehicle CEM 8154, which was faulty and providing incorrect warning messages, by the sole dealer/agent for the Western and Eastern Cape, via a strip-and-quote process. | Manager: Corporate Services, Arendse JJF | Kemach Cape (Pty) Ltd | R 3,711.20 | | R 519.57 | R 4,230.77 |
| 16 | SCD2654 | 2013/08/19 | 2013/08/23 | 2013/08/23 | Clause 36(1)(a)(v) | 02 | Procurement of credits for a postage franking machine for Kleinmond Administration from the sole service provider for this specific equipment, for the period ending 30 June 2014 | Senior Manager: Hangklip-Kleinmond, Jonkheid C | Earlyworx 282 (Pty) Ltd | R 35,087.72 | | R 4,912.28 | R 40,000.00 |
| 17 | SCD2655 | 2013/08/13 | 2013/8/13 (Updated: 2013/08/28) | 2013/08/28 | Clause 36(1)(a)(v) | 02 | The inspection of fault with the pistons and valves of vehicle CEM 24211, which was faulty and resulted in high oil pressure and usage, via a strip-and-quote process. | Manager: Corporate Services, Arendse JJF | Automotive Dynamix Engine Rebuilders CC | R 65,350.75 | | R 9,149.11 | R 74,499.86 |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 18 | SCD2656 | 2013/08/14 | 2013/08/15 | 2013/08/28 | Clause 36(1)(a)(v) | 02 | The identification and repair of fault with the two-way radio repeater at Olifantsberg, which sustained damage due to the RF connector having been broken, via a strip-and-quote process. | Acting Manager: IT Communication & Technology - van Staden J | Estreaux Systems CC t/a Benliekor Communications | R 5,380.00 | | R 753.20 | R 6,133.20 |
| 19 | SCD2657 | 2013/09/04 | 2013/09/04 | 2013/09/06 | Clause 36(1)(a)(ii) | 03 | The Provision of a training workshop on T.A.S.K Job Evaluation by the sole registered owners of the trade mark and associated intellectual property. | Senior Manager: Human Resources, L Bucchianeri | Deloitte Consulting (Pty) Ltd | R 38,157.80 | | R 5,342.09 | R 43,499.89 |
| 20 | SCD2658 | 2013/09/12 | 2013/09/12 | 2013/10/07 | Clause 36(1)(a)(v) | 04 | The identification and repair of fault with the engine of refuse tanker CEM 11980, which had overheated and needed to be reconditioned, via a strip-and-quote process. | Manager: Corporate Services, Arendse JJF | A Nel t/a Worcester Enjinsentrum | R 70,695.00 | | R 9,897.30 | R 80,592.30 |
| 21 | SCD2659 | 2013/09/05 | 2013/09/05 (Updated: 2013/09/11 | 2013/09/19 | Clause 36(1)(a)(v) | 03 | The Rental of Gas Cylinders procured through tender SC 872/2010, which had a contract period ending 30 June 2013, for a period of 3 months, ending 30 September 2013, as the cylinders still contain gas procured during the contract period of the said tender. | Manager: Corporate Services, Arendse JJF | African Oxygen LTD | R 2,280.00 | | R 319.20 | R 2,599.20 |
| 22 | SCD2660 | 2013/09/30 | 2013/09/30 | 2013/10/01 | Clause 36(1)(a)(v) | 04 | The provision of a budgeting course for Working for Water contractors by the service provider who's course content has been specifically designed for and approved by the Department of Environmental Affairs Working for Water programme. | IA Manager: Working for Water, Sampson T | Forestry Solutions (Pty) Ltd | R 41,308.50 | | R 5,783.19 | R 47,091.69 |
| 23 | SCD2662 | 2013/09/27 | 2013/09/27 | 2013/10/04 | Clause 36(1)(a)(v) | 04 | The identification of fault with the high-pressure pump of vehicle CEM 10226, which had begun leaking and required the replacement of its primer, via a strip-and-quote process. | Manager: Corporate Services, Arendse JJF | Fire Raiders (Pty) Ltd | R 22,167.12 | | R 3,103.40 | R 25,270.52 |
| 24 | SCD2663 | 2013/09/09 | 2013/09/25 (Updated: 2013/10/07) | 2013/10/07 | Clause 36(1)(a)(v) | 04 | The Servicing of Caterpillar equipment (CAM16700 & CEM19317) by the sole authorised agent for Southern Africa | Manager: Corporate Services, Arendse JJF | Barloworld Equipment, a division of Barloworld South Africa (Pty) Ltd | R 16,507.29 | | R 2,311.02 | R 18,818.31 |
| 25 | SCD2664 | 2013/10/08 | 2013/10/09 | 2013/10/10 | Clause 36(1)(a)(v) | 04 | License fees for the use of the Traffic Contravention System software by the owner of the software for the 2013/14 financial year, ending 30 June 2014. | Chief: Traffic Services, Fraser R | Total Client Services (Pty) Ltd | R 56,500.00 | | R 7,910.00 | R 64,410.00 |
| 26 | SCD2665 | 2013/10/09 | 2013/10/09 (Updated: 2013/10/11) | 2013/10/15 | Clause 36(1)(a)(v) | 04 | The urgent procurement of protective clothing and safety wear without following the Formal Written Quotation process for procurement above R 30,000.00 in order to mitigate risks associated with the safety of municipal employees and the impact on service delivery. | Deputy Director: Community Services, Bartman M | Various Contractors | R 165,857.00 | | R 13,363.98 | R 179,220.98 |
| 27 | SCD2666 | 2013/10/08 | 2013/10/08 | 2013/10/17 | Clause 36(1)(a)(v) | 04 | The Strip-and-quote identification and repair of fault with transmission of CAM 16700, which would not operate in higher gears, by the authorised South African agent. | Manager: Corporate Services, Arendse JJF | Barloworld Equipment, a division of Barloworld South Africa (Pty) Ltd | R 39,977.18 | | R 5,596.81 | R 45,573.99 |
| 28 | SCD2667 | 2013/09/19 | 2013/09/20 (Updated: 2013/10/08) | 2013/10/17 | Clause 36(1)(a)(v) | 04 | The identification and repair of fault with the engine of CEM 13034, which had overheated and required the valve guides to be replaced and the cylinder head schemed, via a strip-and-quote process. | Manager: Corporate Services, Arendse JJF | A Nel t/a Worcester Enjinsentrum | R 3,485.00 | | R 487.90 | R 3,972.90 |
| 29 | SCD2668 | 2013/10/21 | 2013/10/21 | 2013/10/30 | Clause 36(1)(a)(v) | 04 | The identification and repair of fault with the engines of CEM 15468 and CEM 71, which both displayed oil pressure faults and required repairs to the cylinder heads, via a strip-and-quote process. | Manager: Corporate Services, Arendse JJF | A Nel t/a Worcester Enjinsentrum | R 11,415.00 | | R 1,598.10 | R 13,013.10 |
| 30 | SCD2669 | 2013/10/29 | 2013/11/04 | 2013/11/08 | Clause 36(1)(a)(v) | 05 | The provision of services for the hosting and maintenance of Overstrand Municipality's external website by the existing services provider appointed in terms of SC 992/2010 after the expiry of the contract for a period ending 31 January 2014, in order to make provision for the new procurement process SC 1418/2013. | Director: Management Services, D. Arrison | Max Internet Technologies CC t/a Maxitec | R 12,880.70 | | R 1,803.30 | R 14,684.00 |
| 31 | SCD2670 | 2013/10/21 | 2013/11/21 (Updated: 2013/11/14) | 2013/11/15 | Clause 36(1)(a)(v) | 05 | The identification and repair of various faults identified with the body of refuse tanker CEM 11377 via a strip-and-quote process. | Manager: Corporate Services, Arendse JJF | Trans Manufacturing (Pty) Ltd | R 74,485.83 | | R 10,428.02 | R 84,913.85 |
| 32 | SCD2671 | 2013/11/07 | 2013/11/07 (SCM Database registration: 2013/11/15) | 2013/11/18 | Clause 36(1)(a)(ii) | 05 | The supply and delivery of Bio-Remedial products (BIOR 301 KNK Super) for the remediation of two maturation ponds at the Hermanus Wastewater Treatment Works for the supplier who has been granted exclusive rights for Bioyne's products in South Africa. | Deputy Director: Community Services, Bartman M | Second Opinion Consulting CC | R 58,947.37 | | R 8,252.63 | R 67,200.00 |
| 33 | SCD2672 | 2013/11/11 | 2013/11/11 (Updated: 2013/11/15) | 2013/11/20 | Clause 36(1)(a)(ii) | 05 | The repair and recalibration of the Power Track meter by Advanced Monitoring Solutions as the sole supplier of Power Track instruments | Senior Superintendent: Electro technical Services, Lourens DC | Advanced Monitoring Solutions CC | R 2,600.00 | | R 364.00 | R 2,964.00 |
| 34 | SCD2673 | 2013/11/19 | 2013/11/19 | 2013/11/21 | Clause 36(1)(a)(v) | 05 | The identification and repair of faults identified with the "Greenkeeper" travelling irrigation units, utilised at the Gansbaai sports field, via a strip-and-quote process. | Senior Manager: Gansbaai and Stanford Administration, Myburgh F | Rotrix Africa Industries CC | R 12,692.04 | | R 1,776.89 | R 14,468.93 |
| 35 | SCD2674 | 2013/11/19 | 2013/11/19 | 2013/11/22 | Clause 36(1)(a)(i) | 05 | The urgent procurement of services for the repair of Landa street in Zwelihle, which had been damaged due to flooding, to ensure the continued provision of essential services. | Deputy Director: Community Services, Bartman M | To be identified | R 43,859.65 | | R 6,140.35 | R 50,000.00 |
| 36 | SCD2675 | 2013/11/28 | 2013/11/28 | 2013/11/28 | Clause 36(1)(a)(v) | 05 | Provision of Lifesaving Services for the Overstrand Area for the period ending 30 June 2014, after the withdrawal of the successful tenderer of SC 1393/2013: Lifesaving Services For Overstrand Area. | Senior Manager: Hermanus Administration, D Kearny | National Sea & Sand Institute and Overstrand Community Lifeguards | R 236,673.45 | | R 26,793.54 | R 263,466.99 |
| 37 | SCD2676 | 2013/11/20 | 2013/11/20 | 2013/12/05 | Clause 36(1)(a)(ii) | 06 | The repair of sewerage vacuum pumps . Broom Engineering CC is the sole supplier of these vacuum pumps | Director Community Services : R Williams | Broom Engineering | R 7,342.00 | | R 1,027.88 | R 8,369.88 |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 38 | SCD2677 | 2013/11/27 | 2013/11/28 | 2013/11/29 | Clause 36(1)(a)(v) | 05 | IRP 5 and practical workshop training by Payday Software Systems (PTY) LTD. | Senior Manager: Human Resources, Lucinda Bucchianeri | PayDay Software Systems (Pty) Ltd | R 7,894.74 | | R 1,105.26 | R 9,000.00 |
| 39 | SCD2678 | 2013/11/28 | 2013/11/02 | 2013/1203 | Clause 36(1)(a)(i)(a)(i) | 06 | The appointment of a contractor for the repair of security walls (Swallow Park) damaged by excessive rain on 16 November 2013, without following the route of Formal Written Price Quotations due to the limited time and to prevention the possibility of injury to the public. | Manager: Operational Services, Burger P | Alan Bailey Civil Engineering & Construction CC | R 29,345.00 | | R 4,108.30 | R 33,453.30 |
| 40 | SCD2679 | 2013/11/26 | 2013/12/04 | 2013/12/05 | Clause 36(1)(a)(ii) | 06 | Overstrand Municipality Fire Services is using BW Technologies gas detectors. BW Technologies have given a letter stating that Invuyani Safety is the sole representative to repair and recalibrate the three gas detectors | Chief Fire Officer: Smith L | Invuyani Safety | R 2,855.26 | | R 399.74 | R 3,255.00 |
| 41 | SCD2680 | 2013/12/04 | 2013/12/02 | 2013/02/05 | Clause 36(1)(a)(ii) | 06 | The supply and delivery of SPI-Yel Quick Seals, from the sole authorised suppliers of NIC products for the African region. | Senior Manager: Chief Electro Technical Services, Du Plessis K | Power Measurement & Distribution CC | R 19,750.00 | | R 2,765.00 | R 22,515.00 |
| 42 | SCD2681 | 2013/12/04 | 2013/12/04 | 2013/12/05 | Clause 36(1)(a)(ii) | 06 | Repair of the gearbox for the Digger Loader CEM 8154 via a strip and quote. Kemach Cape (PTY) LTD is the accredited and sole JCB construction Equipment dealer for the Western Cape. | Director Community Services: Williams R | Kemach Cape (PTY) LTD | R 16,546.40 | | R 2,316.50 | R 18,862.90 |
| 43 | SCD2682 | 2013/12/05 | 2013/12/05 | 2013/12/05 | Clause 36(1)(a)(ii) | 06 | The Provision of a training workshop on T.A.S.K Job Evaluation by the sole registered owners of the trade mark and associated intellectual property. | Senior Manager: Human Resources, L Bucchianeri | Deloitte Consulting (Pty) Ltd | R 9,250.00 | | R 1,295.00 | R 10,545.00 |
| 44 | SCD2683 | 2013/11/28 | 2013/11/28 | 2013/12/10 | Clause 36(1)(a)(v) | 06 | Procurement of services of a motivational speaker, Mr. PD Geldenhuys, at the municipality's bi-annual strategic session on 04 December 2013. | Director: Management Services, Arrison D | Mr. PD Geldenhuys | R 8,500.00 | | R - | R 8,500.00 |
| 45 | SCD2684 | 2013/11/26 | 2013/11/26 | 2013/12/18 | Clause 36(1)(a)(v) | 06 | Burmar Civils was requested to repair the sewerage pipeline in Standford due to the fact that the municipality did have the necessary equipment to perform the work | Deputy Director: Operational Services, Bartman M | Burmar Civils | R 11,275.00 | | R 1,578.59 | R 12,853.59 |
| 46 | SCD2685 | 2013/12/06 | 2013/12/06 | 2013/12/09 | Clause 36(1)(a)(v) | 06 | The procurement of services for the Hiring of Sewerage Vacuum Tankers for the peak festive periods December 2013/January 2014 and April 2014, ending 30 April 2014, after the official procurement and SCM Regulation 32 processes failed to identify a preferred supplier. | Deputy Director: Community Service, Bartman M | Jetvac South Africa (Pty) Ltd | R 875,000.00 | | R 122,500.00 | R 997,500.00 |
| 47 | SCD2686 | 2013/12/05 | 2013/12/05 | 2013/12/13 | Clause 36(1)(a)ii) | 06 | The testing and service of Drager Self Containing Breathing Apparatus equipment, by the sole importer, supplier and service company of Drager equipment in South Africa. | Chief Fire Officer: Smith L | DRAGER SOUTH AFRICA (PTY) LTD | R 4,260.00 | | R 596.40 | R 4,856.40 |
| 48 | SCD2687 | 2013/12/06 | 2013/12/10 | 2013/12/11 | Clause 36(1)(a)(v) | 06 | The provision of mobile telecommunication services for use in the operation of Overstrand Municipality's telemetry systems via the developer and implementer of the said system, with a contract period 1 July 2013 to 30 June 2014. | Principle Technician: Operational Services, le Roux G | Spectrum Communication, a Division of Connoisseur Electronics (Pty) Ltd | R 5,412.00 | | R 757.68 | R 6,169.68 |
| 49 | SCD2688 | 2013/11/22 | 2013/12/19 | 2013/12/27 | Clause 36(1)(a)(i | 06 | On the 16 November 2013 Fred De Pauw Commercial Diving Services CC assisted the municipality with flooding in Gansbaai. | Deputy Director: Operational Services, Bartman M | Fred De Pauw Commercial Diving Services CC | R 5,400.00 | | R - | R 5,400.00 |
| 50 | SCD2689 | 2013/12/09 | 2013/12/09 | 2013/12/20 | Clause 36(1)(a)(v) | 06 | The identification and repair of the vacuum pump and rear crank bearings of sewerage tanker CAM25655 via a strip-and-quote process. | Director Community Services: Williams R | Automotive Dynamix | R 26,028.80 | | R 3,643.75 | R 29,672.55 |
| 51 | SCD2690 | 2013/01/20 | 2013/01/17 | 2014/01/21 | Clause 36(1)(a)(v) | 07 | The auditing and installation of bulk meters They are the sole supplier of the bulk meter software and is responsible for the maintenance of it, auditing of meters and extracting of the data for the use in the billing meters | Senior Superintendent, Electrical Services: Lourens DC | PJ Technologies – Cape CC | R 19,568.60 | | R 2,739.60 | R 22,308.20 |
| 52 | SCD2691 | 2013/01/20 | 2013/01/17 | 2014/01/21 | Clause 36(1)(a)(v) | 07 | The provision of easy query training services by the developer and implementer of the municipalities financial management system (SAMRAS) | System Administrator : Loubser JT | Bytes Universal Systems | R 44,880.00 | | R 6,283.20 | R 51,163.20 |
| 53 | SCD2692 | 2013/01/20 | 2013/01/20 | 2014/01/21 | Clause 36(1)(a)(v) | 07 | The urgent procurement of an alternative services provider to attend the blockage of the main sewer line which caused sewerage to overflow into the street, after the preferred contractor , Lazar, was unable to perform due to a breakdown of their truck | Operational Manager: Crafford D | Nel BF (Dyna Rod) | R 4,289.46 | | R 600.53 | R 4,889.99 |
| 54 | SCD2693 | 2014/01/28 | 2014/01/28 | 2014/01/29 | Clause 36(1)(a)(v) | 07 | The tender process for the building and erection of a Cape Whale Coast stand, only one tender was received and were found to be non responsive. It will be impossible to re-advertise the tender due to limited time available, as the show is on the 14-16 February 2014. | Manager: Tourism, Greeff S | Scan Display Solutions ( PTY) LTD | R 14,275.00 | | R 1,998.50 | R 16,273.50 |
| 55 | SCD2694 | 2014/01/24 | 2014/01/23 | 2014/01/27 | Clause 36(1)(a)(ii) | 07 | Repairing of steering cylinder on vehicle CEM96402. Ursus SA (PTY) LTD is the sole supplier that can import the parts on all Ursus tractors | Director: Community Services, Williams R | Ursus SA (PTY) LTD | R 4,049.00 | | R 566.86 | R 4,615.86 |
| 56 | SCD2695 | 2014/01/17 | 2014/01/30 | 2014/02/03 | Clause 36(1)(a)(ii) | 08 | The repair of sewerage vacuum pumps by Broom Engineering CC who is the sole supplier of these vacuum pumps. | Director Community Services, Williams R | Broom Engineering CC | R 4,507.50 | | R 631.05 | R 5,138.55 |
| 57 | SCD2696 | 2014/01/24 | 2014/01/23 | 2014/01/27 | Clause 36(1)(a)(v) | 07 | The COMET 5300 high pressure machine was sent to Boland Hoedrukspuit (PTY) LTD for inspection to determine the problem and be repaired ( via strip and quote) | Director: Community Services, Williams R | Boland Hoedrukspuit (PTY) LTD | R 2,121.75 | | R 297.05 | R 2,418.80 |
| 58 | SCD2697 | 2014/01/27 | 2014/01/24 | 2014/01/29 | Clause 36(1)(a)(v) | 07 | The booking of a space at the Beeld Holiday show without requesting quotations from other show organizers due to the uniqueness of the show and the Municipality's intended target market | Manager: Tourism, Greeff S | Interactive Trading 498 ( PTY) LTD | R 15,075.00 | | R 2,110.50 | R 17,185.50 |

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| 59 | SCD2698 | 2014/01/29 | 2014/01/20 ( Updated:2014 /01/27 ) | 2014/02/03 | Clause 36(1)(a)(v) | 08 | The auditing and installation of bulk meters by PJ Technologies. They are the sole supplier of the bulk meter software and is the only company responsible for the maintenance of it, auditing of meters and extracting of the data for the use in the billing meters. This is approved with the provision that the preferred due process tender or s116(3) be adhered to by 30 June 2014 | Senior Manager : Electrical Services , Du Plessis JH | PJ Technologies – Cape CC | R 24,570.00 | | R 3,439.80 | R 28,009.80 |
| 60 | SCD2699 | 2014/01/30 | 2014/01/24 (Updated: 2014/01/30) | 2014/02/03 | Clause 36(1)(a)(ii) | 08 | Recalibration of speed measuring equipment. Truvelo Manufactures (PTY) LTD is the sole supplier of the equipment that includes service, repair ,maintenance and installation | Chief: Traffic Services , Fraser R | Truvelo Manufactures (PTY) LTD | R 10,789.95 | | R 1,510.59 | R 12,300.54 |
| 61 | SCD2700 | 2014/01/28 | 2014/01/28 (Updated: 2014/02/18) | 2014/02/20 | Clause 36(1)(a)(v) | 08 | Procurement of Specialised testing kits for Water testing Equipment at the Gansbaai Wastewater Treatment Works, from the authorised distributor as per the attached memorandum. | Superintendent: Water and Sanitation, Franken H | PREI Instrumentation (Pty) Ltd | R 19,366.00 | | R 2,711.24 | R 22,077.24 |
| 62 | SCD2701 | 2014/02/05 | 2014/01/31 (Updated: 2014/02/04) | 2014/02/10 | Clause 36(1)(a)(v) | 08 | The engine of the fire truck (CEM 14827) overheated. The vehicle was send to Automotive Dynamix to determine the damage to the engine and have it repaired ( strip and quote ) | Director Community Services, Williams R | Automotive Dynamix Engine Rebuilders CC | R 56,000.35 | | R 7,840.05 | R 63,840.40 |
| 63 | SCD2702 | 2014/02/06 | 2014/01/28 (Updated: 2014/02/06) | 2014/02/10 | Clause 36(1)(a)(v) | 08 | The booking of a space at the Cape Getaway show on the 14 – 16 March 2014 without requesting quotations from other show organizers due to the uniqueness of the show and the Municipality's intended target market | Manager: Tourism, Greeff S | Ramsay Media (PTY ) LTD | R 11,088.00 | | R 1,552.32 | R 12,640.32 |
| 64 | SCD2703 | 2014/02/06 | 2014/02/04 (Updated: 2014/02/06) | 2014/02/10 | Clause 36(1)(a)(v) | 08 | The tender process for the building and erection of a Cape Whale Coast stand, only one tender was received and were found to be non responsive. It will be impossible to re-advertise the tender due to limited time available, as the show is on the 14 -16 March 2014. | Manager: Tourism, Greeff S | Scan Display Solutions ( PTY) LTD | R 11,985.00 | | R 1,677.90 | R 13,662.90 |
| 65 | SCD2704 | 2014/02/20 | 2014/02/20 | 2014/02/28 | Clause 36(1)(a)(v) | 08 | The purchase of pole mounted transformers via a alternative service provider due to the current contractor Reticulation & General Suppliers being liquidated and in order to mitigate the risk of existing transformers being damaged and needing to be replaced. | Stores Co-Ordinator: Lyner-Swartz , L | Power Transformers (PTY) LTD | | R 253,140.00 | R 35,439.60 | R 288,579.60 |
| 66 | SCD2705 | 2014/02/20 | 2014/02/20 | 2014/02/28 | Clause 36(1)(a)(v) | 08 | The procurement of storm-water pipes to ensure the completion of various capital projects before the 2013/2014 financial year , after 2 failed attempts for the procuring of the needed goods via the competitive bidding process. | Stores Co-Ordinator: Lyner-Swartz , L | V W Civil Engineering Suppliers CC | R 235,290.00 | | R 32,940.60 | R 268,230.60 |
| 67 | SCD2707 | 2014/03/11 | 07 (Update 201 | 2014/03/12 | Clause 36(1)(a)(v) | 09 | GRAP training is mainly provided by IMFO (an accredited professional body)who are leaders on the aspect of the preparation of the annual financial statements and maintenance of asset register in accordance with the GRAP standards. | Senior Manager: Human Resources , Bucchianeri L | Institute for Municipal Finance Officials | R 17,763.18 | | R 2,486.82 | R 20,250.00 |
| 68 | SCD2708 | 2014/03/24 | 2014/03/19 | 2014/03/26 | Clause 36(1)(a)(ii) | 09 | Supply Chain Management Policy :The testing and service of Drager Self Containing Breathing Apparatus equipment, by the sole importer, supplier and service company of Drager equipment in South Africa. | Chief: Fire Officer, Smith L | Drager South Africa (Pty) Ltd | R 7,274.00 | | R 1,018.36 | R 8,292.36 |
| 69 | SCD27009 | 2014/03/24 | 2014/03/28 (Updated: 2014/03/31) | 2014/04/02 | Clause 36(1)(a)(ii) | 10 | Supply Chain Management Policy :The procurement of laminated padlocks for the pumpstation, boreholes and reservoirs.The brass/copper padlocks are being stolen and sold for scrap metal. Patch Industrial Suppliers are the sole trained agent of these laminated padlocks. | First Technician : Operational Services, Marx T | Patch Industrial Suppliers | R 24,877.60 | | R 3,482.86 | R 28,360.46 |
| 70 | SCD2710 | 2014/03/26 | 2014/03/26 (Updated: 2014/03/31) | 2014/04/01 | Clause 36(1)(a)(i) | 10 | The procurement of emergency fire fighting services on the 08/02/2014 ,22/02/2014, 23/02/2014 and 28/02/2014 as the magnitude of situation exceeded the municipality's own resources. | Chief: Fire Officer, Smith L | FFA Aviation ( PTY) LTD | R 259,189.45 | | R 36,287.54 | R 295,476.99 |
| 71 | SCD2711 | 2014/04/11 | 2014/04/01 (Updated 2014/04/11) | 2014/04/14 | Clause 36(1)(a)(ii) | 10 | Replacement of test boards used in NRCS testing equipment which is used by the traffic department. The current test board is faulty and cannot be repaired. Andis is the only supplier that manufactures these test boards. | Chief: Traffic/Lisences, Fraser R | Analogue & Digital System CC ( ANDIS) | R 8,903.51 | | R 1,246.49 | R 10,150.00 |
| 72 | SCD2713 | 2014/04/09 | 2014/04/07 (Updated: 2014/04/09) | 2014/04/09 | Clause 36(1)(a)(v) | 10 | The Provision of Professional Services for the establishment of market-related remuneration for top management | Municipal Manager, C. Goenewald | Work Dynamics (Pty) Ltd | R 18,772.00 | | R 2,628.08 | R 21,400.08 |
| 73 | SCD2714 | 2014/04/09 | 2014/04/08 | 2014/04/10 | Clause 36(1)(a)(v) | 10 | CEM 31017 was send to Worcester Brake & Clutch for inspection and it was found that the clutch kit needs to be repaired due to wear and tear.(via a strip and quote process.) | Superintendent: Mechanical Workshop, Hanekom J | Worcester Brake and Clutch | R 3,260.00 | | R 456.40 | R 3,716.40 |
| 74 | SCD27015 | 2014/04/10 | 2014/04/08 | 2014/04/11 | Clause 36(1)(a)(v) | 10 | The engine of CEM 31017 was inspected and it was found to be using too much oil.The tractor was send to Worcester Enjin Sentrum for inspection and it was found that the pistons rings was damaged due to wear and tear.(via a strip and quote process). The engine was recommended by the supplier to be refurbish | Superintendent: Mechanical Workshop, Hanekom J | Worcester Enjin Sentrum | R 29,876.00 | | R 4,196.64 | R 34,072.64 |
| 75 | SCD2716 | 2014/04/24 | 2014/04/08 (Updated: 2014/04/23) | 2014/04/24 | Clause 36(1)(a)(v) | 10 | The hopper and compactor body of CEM 23618 was damaged due to wear and tear. This caused the waste to leak out. The vehicle was send to TFM Transtech for quotations, via a strip and quote process. | Superintendent: Mechanical Workshop, Hanekom J | TFM Transtech | R 122,817.05 | | R 17,194.43 | R 140,011.48 |
| 76 | SCD2717 | 2014/04/10 | 2014/04/08 | 2014/04/11 | Clause 36(1)(a)(ii) | 10 | Procurement of services for the relocation of existing instrumentation use to monitor the municipality's electricity quality, by the sole manufacturer and supplier of the instrumentation. | Chief : Electro Technical Services, Du Plessis JH | CT Lab ( PTY) LTD | R 19,860.00 | | R 2,780.40 | R 22,640.40 |

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| 77 | SCD2718 | 2014/04/11 | 2014/04/11 | 2014/04/11 | Clause 36(1)(a)(v) | 10 | Onlab Specialist Electro- Technology CC has been identified as the specialist in the developing of the Walkerbay Substation Protection model and was therefore requested to repair the faults identified by the Scade system. | Chief : Electro Technical Services, Du Plessis JH | Onlab Specialist Electro-Technology CC | R | 14,580.00 | | R | 2,041.20 | R | 16,621.20 |
| 78 | SCD2719 | 2014/04/11 | 2014/04/11 | 2014/04/11 | Clause 36(1)(a)(v) | 10 | The auditing and installation of bulk meters by PJ Technologies in the Kleinmond area. They are the sole supplier of the bulk meter software and is the only company responsible for the maintenance of it, auditing of meters and extracting of the data for the use in the billing meters. This is approved with the provision that the preferred due process tender or s116(3) be adhered to by 30 June 2014 | Senior Manager : Electrical Services , Du Plessis JH | PJ Technologies – Cape CC | R | 15,008.00 | | R | 2,101.12 | R | 17,109.12 |
| 79 | SCD2720 | 2014/04/11 | 2014/04/10 | 2014/04/11 | Clause 36(1)(a)(ii) | 10 | The provision of Intellicash bank reconciliation software from originally designer and developer of the system and who also owns sole copyright, as the risk of implementing an alternative system during the financial year would have an impact on the reconciliations, financial statements and external audit of the municipality. | Manager: Financial Services, King B | Pricewaterhouse Coopers Inc. | R | 59,400.00 | | R | 8,316.00 | R | 67,716.00 |
| 80 | SCD2721 | 2014/04/11 | 2014/04/11 | 2014/04/14 | Clause 36(1)(a)(ii) | 10 | Service and repair of Holmatro Hydraulic Rescue tools. The manufacture has confirm that Fire Raiders are the is the exclusive and authorized dealer in South Africa. | Divisional Commander: Lobb B | Fire Raiders Cape ( PTY) LTD | R | 9,290.87 | | R | 1,300.72 | R | 10,591.59 |
| 81 | SCD2722 | 2014/04/11 | 2014/04/11 | 2014/04/14 | Clause 36(1)(a)(ii) | 10 | Servicing of the Bauer Breathing air compressors. High Pressure Systems is the sol importer of the Bauer breathing air compressors in South Africa as indicated by the manufacture | Divisional Commander: Lobb B | High Pressure Systems CC | R | 6,781.52 | | R | 949.41 | R | 7,730.93 |
| 82 | SCD2723 | 2014/04/23 | 2014/04/14 (Updated: 2014/04/17) | 2014/04/24 | Clause 36(1)(a)(ii) | 10 | Repair of the fly rope and several pulleys on the extension ladder. This was damaged during a training exercise in March 2014.Due-Safety Ladder Corporation has confirmed that Marce Projects is the sole services and sale provider of their product in South Africa | Chief: Fire Officer, Smith L | Marce Projects ( PTY ) LTD | R | 3,880.00 | | R | 543.20 | R | 4,423.20 |
| 83 | SCD2724 | 2014/04/25 | 2014/04/15 (Updated: 2014/04/24) | 2014/04/24 | Clause 36(1)(a)(v) | 10 | Procurement for the disconnection and reconnection of services for the period ending 31 July 2014. To mitigate any financial losses due to the current supplier failing to perform this services efficiently. | Manager: Income , Stadler E | IPES Utility Management Services (PTY) | R | 118,421.05 | | R | 16,578.95 | R | 135,000.00 |
| 84 | SCD2725 | 2014/04/25 | 2014/04/22 | 2014/04/29 | Clause 36(1)(a)(v) | 10 | The municipal workshop have found that the foam tank of CEM10226 was leaking. The only way the extent of the damage could be determined is to remove the structure panels and investigate the foam tank via a strip and quote process. | Superintendent: Mechanical Workshop, Hanekom J | Fire Raiders (PTY) LTD | R | 13,245.00 | | R | 1,854.30 | R | 15,099.30 |
| 85 | SCD2726 | 2014/05/08 | 2014/04/30 (Updated 2014/05/06) | 2014/05/08 | Clause 36(1)(a)(v) | 11 | On the 27 April 2014 Berg en See area was left without electricity due to a cable fault. The fault could not by found by the municipality and the services of Caltest CC was procured on short notice to find the fault. | Senior Manager : Electrical Services , Du Plessis JH | Caltest CC | R | 5,320.50 | | R | 744.87 | R | 6,065.37 |
| 86 | SCD2727 | 2014/05/08 | 2014/05/08 | 2014/05/08 | Clause 36(1)(a)(v) | 11 | Provision of urgent specialised testing services for the location of a fault on the 11kv cable network in order to prevent damages and potential outages on the hermanus electrical network. | Senior Manager : Electrical Services , Du Plessis JH | Caltest CC | R | 5,770.50 | | R | 807.87 | R | 6,578.37 |
| 87 | SCD2728 | 2014/05/14 | 2014/05/06 ( Updated 2014/05/13) | 2014/05/21 | Clause 36(1)(a)(ii) | 11 | The 6 monthly preventative maintenance service of Riello Aros Multistandard UPS system by the sole AROS distributor and service centre for Riello Aros systems in Western and Eastern Cape provinces. | ICT System Developer : Johnson C | UPS Cape t/a AC Digital Energy | R | 4,307.50 | | R | 603.05 | R | 4,910.55 |
| 88 | SCD2729 | 2014/05/19 | 2014/05/12 (Updated 2014/05/16) | 2014/05/22 | Clause 36(1)(a)(v) | 11 | The engine of CEM12879 had overheated. The cylinder heads was send to Silverton Radiators (Rossouw Diesel & Petrol) for the identification, and proposed repair of faults via a strip-and-quote process. | Superintendent: Mechanical Workshop, Hanekom J | Silverton Radiators (Rossouw Diesel & Petrol ) | R | 2,500.00 | | R | 350.00 | R | 2,850.00 |
| 89 | SCD2730 | 2014/06/13 | 2014/06/06 ( Updated 2014/06/10) | 2014/06/26 | Clause 36(1)(a)(v) | 12 | The ETV signal at Bettybay , Kleinmond area was reported faulty. Transmitter Magic CC was contacted to investigate the problem. The supplier repaired the faulty vivid satellite decoder. | Manager: Systems Development, Johnson C | Transmitter Magic CC | R | 3,324.00 | | R | 465.36 | R | 3,789.36 |
| 90 | SCD2731 | 2014/06/20 | 2014/06/10 ( Updated 2014/06/20) | 2014/06/23 | Clause 36(1)(a)(v) | 12 | The review and integration of existing performance agreements into the top layer SDBIP, by the original developer and implementer of the municipality's existing SDBIP and performance management system. | Senior Manager: Strategic Services , Louw R | Ignite Advisory Services (Pty) Ltd | R | 14,250.00 | | R | 1,995.00 | R | 16,245.00 |
| 91 | SCD2732 | 2014/06/26 | 2014/06/02 ( Updated 2014/06/25) | 2014/06/26 | Clause 36(1)(a)(ii) | 12 | An electrical short circuit prevented the digger loader CEM 8154 from being operated. Kemach Cape (PTY) LTD, the sole accredited JCB Construction Equipment dealer in the Western Cape , was requested to inspect the vehicle and found that a switch was damaged and had to be replaced. | Superintendent: Mechanical Workshop, Hanekom J | Kemach Cape (PTY) LTD | R | 10,690.06 | | R | 1,496.89 | R | 12,186.95 |
| 92 | SCD2733 | 2014/06/26 | 2014/06/19 (Updated 2014/06/25) | 2014/06/27 | Clause 36(1)(a)(v) | 12 | Renewal of PMAXX software licences and setting up of software used for the monitoring for enermax meters by the original development and implementor of the current systems | Senior Manager Electrical Technical Services, Du Plessis JH | PJ Technologie – Cape CC | R | 40,464.03 | | R | 5,664.96 | R | 46,128.99 |
| 93 | SCD2735 | 2014/06/27 | 2014/06/27 | 2014/06/27 | Clause 36(1)(a)(v) | 12 | Deviation: The Acquisition of capped ELA Licensing Fee for the GIS system for a contract period ending 30 June 2017, by the sole provider of the current system implemented by the municipality to perform GIS functions. | Director: Infrastructure and Planning | Environmental Systems Research Institute SA (Pty) Ltd | R | 945,750.00 | | R | 132,405.00 | R | 1,078,155.00 |
| | | | | | | | | | | **R** | **5,425,550.44** | **R 253,140.00** | **R** | **776,889.04** | **R** | **6,455,579.48** |

| SUPPLY CHAIN MANAGEMENT | | | | | | |
|---|---|---|---|---|---|---|
| **Awards to close family members of persons in the service of the state in excess of R 2 000- 2013/2014 financial year in terms of Clause 45 of the policy** | | | | | | |
| Creditor Num. | Company Name | Relationship Type | Name | Government Entiry | Capacity of employment | Amount |
| H90005 | ABRAHAMS CJ | SISTER | SHIREEN MONTAQUE | Overstrand Municipality | Admin Clerk | R 5,400.00 |
| H94179 | ABSA BANK LTD | SPOUSE | TREVOR MANUEL | National Government | Minister of National Planning Commission | R 20,324,753.69 |
| H000088 | ADENCO CONSTRUCTION (PTY) LTD | CHILD | HV MACHIMANA | DEPARTMENT OF WELFARE | SOCIAL WORKER | R 20,125,768.69 |
| | | CHILD | B SKOSANA | DEPARTMENT OF HEALTH | NURSING SISTER | |
| | | PARENT | A KASSNER | Department of Education | Teacher | |
| H95451 | AECOM | Mother | Sarah Meyer | Bloem Water | Executive HR | R 1,386,898.34 |
| | | Father | Roelof Meyer | Grey College | Teacher : Department Head | |
| | | Wife | Bernice Beukes | University of Pretoria | Senior Lecturer | |
| | | Husband | James Nkutu Koko | Department of Trade & Industry | EMEA: Financial Manager | |
| | | Son | André Rossouw | Eskom | Mechanical Engineer | |
| | | Wife | F du Rand | University of Pretoria | Temporary Lecturer | |
| | | Brother | Rowan Seath | Eskom - Grootvlei Power Station | Technician | |
| | | Sister | Lida Mudde | Depertment of Education | Teacher | |
| | | Wife | Dr HC de Swardt | Tshwane University of Technology | Lecturer | |
| | | Wife | Elmarie Venter | Gauteng Education Department | Teacher at Laerskook Edleen | |
| | | Wife | Anéle de Wet | UNISA | Senior Lecturer | |
| | | Wife | Mariska Edwards | UNISA | Lecturer | |
| | | Brother | Marius M Lund | University of Cape Town | Head: Registrar's secretariat | |
| | | Husband | Timothy Liversage | Transnet | Environmental Manager | |
| | | Wife | Pamela de Waal | University of Pretoria | Senior Lecturer | |
| | | Wife | Marietjie Breytenbach | Eendracth Primary School | Teacher (termporary) | |
| | | Wife | Carol vd Merwe | Protea Park Primary School | Teacher | |
| | | Nephew | Toy Le Grange | SA Defence Force - Medical services | Colonel (unsure) | |
| | | Nephew | Frikkie Koekelenberg | Transnet | Artisan | |
| | | Sister | Rona Newark | University of Stellenbosch | Professor | |
| | | Wife | Allision Powell | Dpt of Education (WC) | Teacher | |
| | | Brother | Gary Powell | Univeristy of Cape Town | Lecturer / Programme Manager | |
| | | Wife | Lynette Wolff | Dpt of Education (WC) | Teacher | |
| | | Niece | Mareli Els | Dpt of Education | Teacher | |
| | | Brother | Christoff Marais | Dpt of Health (WC) | Registrar in orthopaedic surgery | |
| | | Wife | Alison Mahomed | eThekwini Municipality | Project Officer | |
| | | Wife | S Smith | University of Cape Town | Bio statistician | |
| H90005 | AJ Motor Trimmers CC | Spouse | H. Fortune | Overstrand Municipality | Typist/ Clerk | R 30,980.00 |
| | | PARENT | MEYER R | TELKOM SA | PROJECT MANAGER | |
| | | PARENT | MOORE AJ | DEPARTMENT OF WATER AFFAIRS | CHIEF ENGINEER | |
| | | FAMILY | NADASEN K | NATIONAL DEPARTMENT OF PUBLIC WORKS | DIRECTOR: KEY ACCOUNT MANAGEMENT | |
| | | PARENT | NAIR R | ETHEKWINI MUNICIPALITY | BUILDING INSPECTOR | |
| | | SPOUSE | O'CONNELL SM | SOL PLAATJE MUNICIPALITY | LIBRARIAN | |
| | | SPOUSE | PHILLIPS JF | NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT & TOURISM | MANAGER: TOWNSHIP REVITALISATION | |

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| H93792 | AURECON SOUTH AFRICA (PTY) LTD | PARENT | PILLAY L | KWAZULU NATAL DEPARTMENT OF TRANSPORT | DEPUTY DIRECTOR: MECHANICAL MAINTENANCE DIVISION | R | 5,235,432.92 |
| | | PARENT | PRETORIUS PS | SOL PLAATJE MUNICIPALITY | CHIEF OFFICER: COMMUNITY SERVICES | | |
| | | SPOUSE | RIEKERT JH | SA RESERVE BANK | ENGINEERING | | |
| | | PARENT | ROBERTSON JM | EKURHULENI METROPOLITAN MUNICIPALITY | ROADS ENGINEER | | |
| | | CHILD | SAAIMAN G | AUDITOR GENERAL KIMBERLEY | JUNIOR MANAGER | | |
| | | PARENT | SAAIMAN JJ | ARMSCOR | QUALITY MANAGER | | |
| | | SPOUSE | SCHEEPERS J | COUNCIL FOR MEDICAL SCHEMES | CHIEF FINANCIAL ANALYST | | |
| | | SPOUSE | SCHON EM | NORTHERN CAPE DEPARTMENT OF COOPERATIVE GOVERNANCE: HUMAN SETTLEMENTS & TRADISIONAL AFFAIRS | ASSISTANT MANAGER | | |
| | | SISTER | SEEGERS S | CITY OF CAPE TOWN | HEAD OF SECURITY ARCHITECTURE | | |
| | | SPOUSE | SKEAD M DR | NELSON MANDELA BAY METROPOLITAN UNIVERSITY | SENIOR MANAGER - STAFF DEVELOPMENT | | |
| | | PARENT | TEBANE R | EKURHULENI METROPOLITAN MUNICIPALITY | EXECUTIVE MANAGER | | |
| | | BROTHER | THAMAGA K | SOUTH AFRICAN DEFENCE FORCE | STATE ACCOUNTANT | | |
| | | SPOUSE | THERON J | NELSON MANDELA BAY METROPOLITAN UNIVERSITY BUSINESS SCHOOL | GRADUATE SCHOOL RELATIONS | | |
| | | SISTER | TLALANG F | NORTH WEST DEPARTMENT OF EDUCATION | QUALITY ASSURANCE | | |
| | | PARENT | TONG GJ | NORTH WEST DEPARTMENT OF FINANCE | DEPUTY DIRECTOR | | |
| | | PARENT | TOWERS N | DEPARTMENT OF MINERAL RESOURCES | INSPECTORATE OF MINES - HEALTH AND SAFETY WESTERN CAPE REGION | | |
| | | SPOUSE | TREDOUX J | DEPARTMENT OF WATER AFFAIRS | DEPUTY DIRECTOR: ACCOUNTS PAYABLE | | |
| | | PARENT | TREURNICH A | UMJINDI MUNICIPALITY | COMMUNITY SERVICES: ASSISTANT DIRECTOR | | |
| | | INLAW | VAN RENSBURG M | ESKOM | EXECUTIVE AT TRANSMISSION DEPARTMENT | | |
| | | SPOUSE | VENTER ZC | EASTERN CAPE DEPARTMENT OF HEALTH | DEPUTY DIRECTOR: EMPLOYMENT RELATIONS | | |
| | | PARENT | VERMEULEN PC | CITY OF CAPE TOWN | SUPERINTENDENT: BUILDING MAINTENANCE | | |
| | | PARENT | WILKINS J | CORRECTIONAL SERVICES | VICE DIRECTOR: PROVINCIAL | | |
| | | SPOUSE | WOLMARANS NS | IDC | SENIOR ACCOUNTS MANAGER | | |
| | | PARENT | ZULU SW | KWAZULU NATAL DEPARTMENT OF HEALTH | HUMAN RESOURCE MANAGER | | |
| H95571 | AUTO REPAIRS | UNCLE | JC DE VILLE | SAPD | Police Officer | R | 18,317.00 |
| G000156 | BAY DISCOUNT FURNISHERS-GANSBAAI CC | CHILD | SHARNE BARNARD | Department of Health | Occupational Therapist | R | 12,200.00 |
| H95690 | BLOUKRAAN KONTRAKTEURS | CHILD | ANTHONY APRIL & THEA APRIL | CAPE NATURE | Nature Conservation | R | 58,094.47 |
| | | CHILD | THEA APRIL | Department of Education | Teacher | | |
| H90418 | BOLAND VALUERS | SPOUSE | ESTER GROENEWALD | Stellenbosch Municipality | Part Time Councillor | R | 543,252.24 |
| H95816 | BREDASDORP VLAKTE FIRE PROTECTION ASSOCIATION | CHILD | DR PAM ALBERTYN | National Parks | WOW Teams | R | 15,240.00 |
| K90303 | CARELSE EG | BROTHER | CARELSE W | Overstrand Municipality | Parks | R | 328,931.87 |
| H95669 | CATIZA TRAINING AND SKILLS DEVELOPMENT CC | SPOUSE | BEVERLEY ANNE SWARTZ | City of Cape Town | Professional Nurse | R | 35,517.00 |
| H91952 | CLIVE MATINKA PROJECT MANAGEMENT AND BUIDING | SISTER | OLIVIA GARDINER | Department of Education | Teacher | R | 9,259.26 |

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| H91952 | CLIVE MATINKA PROJECT MANAGEMENT AND BUILDING | CHILD | Cenobia Muller | CEDA | Administrator | R | 9,259.20 |
| H95422 | COALITION TRADING 1318 | SPOUSE | TOBIAS-MEINTJIES AA | Theewaterskloof Municipality | Forman: Street & Stromwater | R | 253,499.90 |
| K900206 | COERT NV | FAMILY | FRAZER BARRY | Overstrand Municipality | PURCHASER | R | 22,000.00 |
| | | | DANIEL BARRY | | PRINCIPLE CLERK | | |
| | | INLAW | DENICE COERT | Department of Education | Teacher | | |
| | | FAMILY | HEATHER TRUTER | Department of Education | Teacher | | |
| H95342 | CUPINC HERMANUS (PTY) LTD CUPBOARDS INC | PARENT | JARRAD PAUL GREY | SA Navy | Seaman | R | 13,360.00 |
| G004086 | D & J VERVOER | PARENT | VERMEULEN JC | Overstrand Municipality | Accountant: Income | R | 193,806.00 |
| G93497 | DREYER B | INLAW | DICKSON R | Overstrand Municipality | Building Inspector | R | 2,004.00 |
| | | | DICKSON M | Overstrand Municipality | Senior Clerk | | |
| H95614 | DU PLESSIS AA (ANGIES CATERING) | CHILD | BRONWYN DU PLESSIS | Overstrand Municipality | Admin Clerk | R | 21,450.00 |
| H91751 | DU PLESSIS SW | INLAW | COETZEE G | Overstrand Municipality | Principle Technician - Building Control | R | 151,929.40 |
| H95752 | DUCO INDUSTRIAL (PTY) LTD | SPOUSE | SHANAAZ MARLIE | PAARL HOSPITAL | AUDIOLOGIST | R | 188,647.20 |
| | | SPOUSE | MARIAM MARLIE | STIKLAND HOSPITAL | QUALITY ASSURANCE MANAGER | | |
| H95027 | EASY MIX | SPOUSE | DE JAGER H | Cape Agulhas Municipality | Clerk: Rates | R | 307,200.00 |
| H95004 | ECO CREATIONS | SPOUSE | RAINBIRD L | Overstrand Municipality | Horticulturist | R | 763,007.50 |
| G93522 | EMMENEM KONSTRUKSIE | SPOUSE | DUNSDON EM | Department of Education | Teacher | R | 71,300.00 |
| H93339 | ENGELBRECHT & SCORGIE TEKENKAN | SPOUSE | ENGELBRECHT C | Overstrand Municipality | Administrator: ICT | R | 123,848.20 |
| H95846 | EON CONSULTING (PTY) LTD | FAMILY | TANISHA AM THOMAS TO MR THOMAS | ESKOM | Project Manager in Transmission | R | 572,199.99 |
| H95367 | EROLD WESSELS MAINTENANCE | FAMILY | WILLIAMS J | Western Cape Provincial Traffic Department | Traffic Officer | R | 6,600.00 |
| G93222 | EUROPA E (ELSA KONSTRUKSIE) | INLAW | JANTJIES L | Overstrand Municipality | Store Attendent | R | 38,990.00 |
| | | | JUMAT K | | Driver | | |
| | | | EUROPA D | | Nature Conservation | | |
| K900575 | FLORIS SM | BROTHER | FLORIS A | Overstrand Municipality | SUPERVISOR: | R | 16,600.00 |
| H95375 | GATEWAY PAVERS CC | SPOUSE | BAARDMAN M | Overstrand Municipality | Chief Clerk: Rates & Housing | R | 29,710.00 |
| H94686 | GERRIT VISSER ONDERHOUDSWERK | SPOUSE | VISSER A | Overstrand Municipality | Snr Clerk: Internal Management | R | 40,621.10 |
| H900210 | GIBB (PTY) LTD (ARCUS GIBB) | Daughter | Tenille Lauren September | Health Infrastructure PGWC | Accountant | R | 1,356,868.56 |
| | | Daughter | Britt Tatum September | City of Cape Town | Administrator | | |
| | | Parent | K Pillay | Department of Education | Data Capturer | | |
| | | Parent | P Pillay | Department of Education | Teacher | | |
| | | Spouse | Alan Moon | City of Cape Town | Business Continuity | | |
| | | Spouse | Leigh Stolworthy | City of Cape Town | Principle Professional Officer: IRT Systems Planning | | |
| | | Spouse | C de Beer | Eskom | Engineer | | |
| | | Spouse | Nokuthula Mkhize | Department of Water Affairs and Forestry | Accounting Clerk | | |
| | | Spouse | Jeanne Mare | Department of education | Teacher | | |
| | | Spouse | Nkosinathi Mzayiya | Dept of Correctional Services | Correctional Officer | | |
| | | Parent | Jacqueline Gooch | Department of Transport and Public Works | Deputy Director General | | |
| | | Spouse | Unathi Lekonyana | Department of National Treasury | Deputy Director | | |
| | | Parent | Douglas Kiewiet | Department of Water Affairs and Forestry | Acting Area Manager | | |
| | | Spouse | K Naidoo | Department of education | Head of Department: Maths | | |
| | | Spouse | Kapil Singh | City of Cape Town | Senior Professional Officer | | |
| | | Mother | Nalini Pillay | Department of education | Head of Department: Language | | |
| | | Father | Logan Pillay | Department of Transport | Mechanical Manager | | |
| | | Brother | M.B. Haq | City Engineeers | Town Planner | | |
| H93257 | HENRY MOSES SPANDIEL PROJECTS | SPOUSE | EC SPANDIEL | Department of Education | Teacher | R | 228,980.00 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| H95687 | HERMANUS POWER VENTURE (PTY) LTD | SPOUSE | KARIN VD MERWE | Overstrand Municipality | HR PRACTITIONER | R | 15,430.15 |
| | | CHILD | LEANDRA MINNAAR | | ADMIN OFFICER: PROPERTY | | |
| H90810 | JANNECKE ONTBOSSING | CHILD | ZENE JANNECKE | SAPD | Police Officer | R | 80,175.23 |
| H95228 | JANSEN JJ | SPOUSE | J JANSEN | Department of Health | GENERAL WORKER | R | 20,350.00 |
| H94005 | JEFFREY NKANUNU CONSTRUCTION CC | SPOUSE | NKANUNU NA | Overstrand Municipality | General Assistant Cleaners | R | 2,400.00 |
| H94163 | JUDITH'S CATERING | AUNT | FORTUIN C | Overstrand Municipality | Clerk: Rates | R | 16,645.00 |
| G93531 | LIPLEK LEKKER | SPOUSE | JC VAN DER MERWE | Overstrand Municipality | STORE KEEPER | R | 13,945.00 |
| H95612 | LOUW N | SISTER | ELMARIE HENDRIKS | CAPE NATURE | CLERK | R | 76,842.33 |
| | | FAMILY | DEON BANIES | SAPD | Police Officer | | |
| H93289 | LP GARDINER AND SONS CONSTRUCTION CC | FAMILY | RAYGENIA GARDINER | Department of Education | Teacher | R | 12,860.00 |
| H90125 | MAXITEC | SPOUSE | RIANA STEENEKAMP | Overstrand Municipality | PA: DIRECTOR MANAGEMENT SERVICES | R | 66,500.00 |
| H91845 | MCINJANA TOURS | CHILD | MCINJANA TT | Overstrand Municipality | Law Enforcement | R | 40,424.00 |
| H93350 | MCNEIL DJ (MAC THATCHERS) | BROTHER | MCNEIL G | Department of Education | Teacher | R | 15,000.00 |
| H95726 | MITHCELL J | PARENT | JOHN MITCHELL (JNR) | Theewaterskloof Municipality | TRUCK DRIVER | R | 2,200.00 |
| H91745 | NEL MM | CHILD | NEL DR | Overstrand Municipality | ASS. OPERATIONAL MANAGER | R | 7,800.00 |
| | | SPOUSE | NEL JG | | SNR ENGINEERING TECHNICIAN | | |
| H95741 | NUMQUE 20 CC | SPOUSE | A COETZEE | SAPD | Admin Clerk | R | 122,943.10 |
| H95499 | OVERBERG REFRIGERATION - TCC GRANTED TO COLLE | SISTER | ANNARI MALAN | Overstrand Municipality | SENIOR CLERK: OPERATIONAL SERVICES | R | 12,474.95 |
| H95065 | OVERSTRAND TOURS | SISTER | LIZL CAROLISSEN | Overstrand Municipality | CLERK GRADE II: TRAFFIC | R | 13,800.00 |
| H91494 | OVERSTRAND TRAINING INSTITUTE | BROTHER | JUANDRE STENEVELDT | Overstrand Municipality | CONTRACT WORKER: TRAFFIC | R | 51,100.00 |
| | | PARENT | HELEN STENEVELDT | Department of Education | Teacher | | |
| | | INLAW | GEORGIA BUCCHIANERI | Overstrand Municipality | MANAGER: BUDGET OFFICE | | |
| | | INLAW | VELIA BUCCHIANERI | | PRINCIPLE CLERK: CLIENT SERVICE | | |
| H91398 | PJTC CONSTRUCTION CC | FAMILY | FORTUIN C | Overstrand Municipality | Clerk: Rates | R | 18,500.00 |
| H95172 | PREMISES - CLOSED (CONTACT GERT WEPENER) | SPOUSE | CHARLOTTE HECTOR | NHBRC | QUALITY ACCESSOR | R | 70,252.31 |
| H95229 | PRO GARDEN SERVICES, LANDSCAPING AND IRRIGATI | INLAW | VERNON SPANDIEL | Department of Education | Teacher | R | 8,250.00 |
| H93951 | QUINTESSENTIAL SECURITY CC | SPOUSE | VAN TONDER H | Overstrand Municipality | Manager: Council Services Support | R | 2,802,593.62 |
| H93981 | RHODE BROS STEEL PROJECTS CC | CHILD | RHODE D | SAPS | Police Officer | R | 90,490.00 |
| H94674 | SALES A | SPOUSE | SALES E | Overstrand Municipality | Personal Assistant: Infrastructure & Planning | R | 75,590.00 |
| H94516 | SIAS I | INLAW | VERNA DYNAARD | Overstrand Municipality | PRINCIPLE CLERK: CEMETRIES | R | 13,700.00 |
| K94534 | SWARTZ L | CHILD | SWARTZ CC | Overstrand Municipality | SENIOR CLERK: ADMINISTRATION | R | 4,500.00 |
| H95562 | UYLENVLEI RETREAT | CHILD | MS JP VAN DEVENTER | Department of Education | Teacher | R | 2,975.00 |
| H95705 | W THOMPSON BOUERS | CHILD | PATRIQUE FORTUIN | Overstrand Municipality | CONTRACT WORKER: TRAFFIC | R | 72,220.00 |
| | | INLAW | BERNARD FORTUIN | | HOUSING OFFICER | | |
| H91183 | WALLY'S PANELBEATERS | SPOUSE | WILLIAMS J | Overstrand Municipality | Clerk: License & Registration | R | 35,000.00 |
| G004307 | WILLOUCON CC | CHILD | KRIEL JGF | Overstrand Municipality | Electrician | R | 111,691.19 |
| G93495 | WINDVOEL PJ | PARENT | P WINDVOEL | | | R | 5,200.00 |
| | | PARENT | ALLEN WINDVOEL | | | | |
| | | | | **Total** | | **R** | **56,414,519.21** |

## Appendix A
June 2014

## Schedule of external loans as at 30 June 2014

| | Loan Number | Redeemable | Balance at 30 June 2013 Rand | Received during the period Rand | Redeemed written off during the period Rand | Balance at 30 June 2014 Rand |
|---|---|---|---|---|---|---|
| **Development Bank of South Africa** | | | | | | |
| DBSA @ 7.894% | 13535/102 | 2020 | 2,355,730 | - | 471,146 | 1,884,584 |
| DBSA @ 7.894% | 13543/101 | 2019 | 2,052,111 | - | 410,422 | 1,641,689 |
| DBSA @ 7.594% | 13761/101 | 2020 | 2,085,954 | - | 391,116 | 1,694,838 |
| DBSA @ 12.00% | 10450/102 | 2017 | 505,320 | - | 105,151 | 400,169 |
| DBSA @ 9.86% | 102169/1 | 2022 | 13,340,512 | - | 1,391,365 | 11,949,147 |
| DBSA @ 10.92% | 103946/1 | 2026 | 54,000,000 | - | 6,000,000 | 48,000,000 |
| DBSA @ 10.60% | 103946/2 | 2026 | 90,000,000 | 10,000,000 | - | 100,000,000 |
| | | | **164,339,627** | **10,000,000** | **8,769,200** | **165,570,427** |
| **Lease liability** | | | | | | |
| SHARP @ 15.07% | | 2014 | 481,614 | - | 481,614 | - |
| NASHUA @ 9.00% | | 2014 | 141,675 | - | 141,675 | - |
| CAPE OFFICE @ 16.37% | | 2015 | 104,065 | - | 41,443 | 62,622 |
| SHARP @ 13.74% | | 2014 | 17,200 | - | 17,200 | - |
| | | | **744,554** | **-** | **681,932** | **62,622** |
| **Annuity loans** | | | | | | |
| ABSA @ 10.38% | 3029589816 | 2024 | 61,354,564 | - | 2,969,973 | 58,384,591 |
| ABSA @ 10.44% | 4073054262 | 2024 | 34,423,680 | - | 1,788,686 | 32,634,994 |
| ABSA @ 10.82% | 4073923493 | 2024 | 36,295,746 | - | 1,845,760 | 34,449,986 |
| ABSA @ 7.92% | 2879000653 | 2020 | 7,000,000 | - | 782,843 | 6,217,157 |
| ABSA @ 9.11% | 2879000652 | 2028 | 31,700,000 | - | 1,054,295 | 30,645,705 |
| ABSA @ 10.94% | 0387230984 | 2029 | - | 39,900,000 | - | 39,900,000 |
| ABSA @ 9.69% | 0387230985 | 2021 | - | 1,400,000 | - | 1,400,000 |
| INCA @ 10.09% | | 2022 | 47,036,667 | - | 3,415,010 | 43,621,657 |
| | | | **217,810,657** | **41,300,000** | **11,856,567** | **247,254,090** |
| **Total external loans** | | | | | | |
| Development Bank of South Africa | | | 164,339,627 | 10,000,000 | 8,769,200 | 165,570,427 |
| Lease liability | | | 744,554 | - | 681,932 | 62,622 |
| Annuity loans | | | 217,810,657 | 41,300,000 | 11,856,567 | 247,254,090 |
| | | | **382,894,838** | **51,300,000** | **21,307,699** | **412,887,139** |

# Appendix B

June 2014

## Analysis of property, plant and equipment as at 30 June 2014

### Cost/Revaluation

### Accumulated depreciation

| | Opening Balance Rand | Additions Rand | Disposals Rand | Transfers Rand | Revaluations Rand | Fair value adjustment Rand | Closing Balance Rand | Opening Balance Rand | Disposals Rand | Transfers Rand | Depreciation Rand | Impairment loss Rand | Closing Balance Rand | Carrying value Rand |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Land and buildings** | | | | | | | | | | | | | | |
| Land (Separate for AFS purposes) | 346,042,386 | 9,085,541 | - | - | - | **-** | **355,127,927** | (425,208) | - | - | - | - | **(425,208)** | 354,702,719 |
| Buildings (Separate for AFS purposes) | 133,993,587 | 1,493,665 | - | 1,056,335 | - | **-** | **136,543,587** | (21,397,607) | - | - | (5,608,489) | - | **(27,006,096)** | 109,537,491 |
| | **480,035,973** | **10,579,206** | **-** | **1,056,335** | **-** | **-** | **491,671,514** | **(21,822,815)** | **-** | **-** | **(5,608,489)** | **-** | **(27,431,304)** | **464,240,210** |
| **Infrastructure** | | | | | | | | | | | | | | |
| Roads, Pavements & Bridges | 1,702,819,805 | 23,755,516 | (2,853,400) | - | - | **-** | **1,723,721,921** | (838,560,217) | 1,174,649 | - | (27,964,617) | - | **(865,350,185)** | 858,371,736 |
| Storm water | 222,131,455 | 3,260,308 | - | - | - | **-** | **225,391,763** | (139,249,804) | - | - | (2,245,120) | - | **(141,494,924)** | 83,896,839 |
| Electricity | 1,006,774,369 | 38,101,302 | (21,542,176) | - | - | **-** | **1,023,333,495** | (396,959,264) | 12,511,040 | - | (18,886,633) | - | **(403,334,857)** | 619,998,638 |
| Water | 1,363,783,370 | 24,922,271 | (14,732,236) | (1,056,335) | - | **-** | **1,372,917,070** | (905,135,439) | 11,146,242 | - | (18,974,250) | - | **(912,963,447)** | 459,953,623 |
| Sewerage | 709,624,997 | 11,002,713 | (6,974,665) | - | - | **-** | **713,653,045** | (328,430,588) | 6,128,444 | - | (14,102,955) | - | **(336,405,099)** | 377,247,946 |
| Solid waste disposal | 47,224,266 | 3,040,774 | - | - | - | **-** | **50,265,040** | (12,093,457) | - | - | (2,321,473) | - | **(14,414,930)** | 35,850,110 |
| Security measures | 13,509,519 | 591,302 | (1,867,500) | - | - | **-** | **12,233,321** | (9,580,900) | 1,604,643 | - | (606,227) | - | **(8,582,484)** | 3,650,837 |
| | **5,065,867,781** | **104,674,186** | **(47,969,977)** | **(1,056,335)** | **-** | **-** | **5,121,515,655** | **2,630,009,669)** | **32,565,018** | **-** | **(85,101,275)** | **-** | **2,682,545,926)** | **2,438,969,729** |
| **Community Assets** | | | | | | | | | | | | | | |
| Recreational facilities | 91,462,841 | 6,992,240 | - | - | - | **-** | **98,455,081** | (32,680,117) | - | - | (2,960,607) | - | **(35,640,724)** | 62,814,357 |
| | **91,462,841** | **6,992,240** | **-** | **-** | **-** | **-** | **98,455,081** | **(32,680,117)** | **-** | **-** | **(2,960,607)** | **-** | **(35,640,724)** | **62,814,357** |

# Analysis of property, plant and equipment as at 30 June 2014

## Cost/Revaluation

## Accumulated depreciation

| | Opening Balance Rand | Additions Rand | Disposals Rand | Transfers Rand | Revaluations Rand | Fair value adjustment Rand | Closing Balance Rand | Opening Balance Rand | Disposals Rand | Transfers Rand | Depreciation Rand | Impairment loss Rand | Closing Balance Rand | Carrying value Rand |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Heritage assets** | | | | | | | | | | | | | | |
| Conservation areas | 107,906,535 | - | - | (1,069) | - | **-** | **107,905,466** | (9,250,000) | - | - | - | - | **(9,250,000)** | 98,655,466 |
| Mayoral chains | 99,309 | - | - | - | - | **-** | **99,309** | - | - | - | - | - | **-** | 99,309 |
| Parks | 817,200 | - | - | - | - | **-** | **817,200** | - | - | - | - | - | **-** | 817,200 |
| | **108,823,044** | **-** | **-** | **(1,069)** | **-** | **-** | 108,821,975 | **(9,250,000)** | **-** | **-** | **-** | **-** | **(9,250,000)** | **99,571,975** |
| **Other assets** | | | | | | | | | | | | | | |
| General vehicles | 57,151,243 | 4,689,708 | (1,288,992) | - | - | **-** | **60,551,959** | (21,605,742) | 708,431 | - | (2,587,631) | - | **(23,484,942)** | 37,067,017 |
| Furniture & Fittings | 2,366,693 | 379,227 | (30,346) | - | - | **-** | **2,715,574** | (1,512,396) | 27,004 | - | (261,305) | - | **(1,746,697)** | 968,877 |
| Office Equipment | 14,224,926 | 1,420,471 | (308,093) | 1,240,111 | - | **-** | **16,577,415** | (6,989,549) | 231,594 | (504,405) | (1,981,922) | - | **(9,244,282)** | 7,333,133 |
| Office Equipment - Leased | 1,379,399 | - | - | (1,240,111) | - | **-** | **139,288** | (321,763) | - | 504,405 | (230,929) | - | **(48,287)** | 91,001 |
| | **75,122,261** | **6,489,406** | **(1,627,431)** | **-** | **-** | **-** | 79,984,236 | **(30,429,450)** | **967,029** | **-** | **(5,061,787)** | **-** | **(34,524,208)** | **45,460,028** |

# Analysis of property, plant and equipment as at 30 June 2014

## Cost/Revaluation — Accumulated depreciation

| | Opening Balance Rand | Additions Rand | Disposals Rand | Transfers Rand | Revaluations Rand | Fair value adjustment Rand | Closing Balance Rand | Opening Balance Rand | Disposals Rand | Transfers Rand | Depreciation Rand | Impairment loss Rand | Closing Balance Rand | Carrying value Rand |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total property plant and equipment** | | | | | | | | | | | | | | |
| Land and buildings | 480,035,973 | 10,579,206 | - | 1,056,335 | - | **-** | **491,671,514** | (21,822,815) | - | - | (5,608,489) | - | **(27,431,304)** | 464,240,210 |
| Infrastructure | 5,065,867,781 | 104,674,186 | (47,969,977) | (1,056,335) | - | **-** | **5,121,515,655** | (2,630,009,669) | 32,565,018 | - | (85,101,275) | - | **(2,682,545,926)** | 2,438,969,729 |
| Community Assets | 91,462,841 | 6,992,240 | - | - | - | **-** | **98,455,081** | (32,680,117) | - | - | (2,960,607) | - | **(35,640,724)** | 62,814,357 |
| Heritage assets | 108,823,044 | - | - | (1,069) | - | **-** | **108,821,975** | (9,250,000) | - | - | - | - | **(9,250,000)** | 99,571,975 |
| Other assets | 75,122,261 | 6,489,406 | (1,627,431) | - | - | **-** | **79,984,236** | (30,429,450) | 967,029 | - | (5,061,787) | - | **(34,524,208)** | 45,460,028 |
| | **5,821,311,900** | **128,735,038** | **(49,597,408)** | **(1,069)** | **-** | **-** | 5,900,448,461 | (2,724,192,051) | **33,532,047** | **-** | **(98,732,158)** | **-** | (2,789,392,162) | **3,111,056,299** |
| **Intangible assets** | | | | | | | | | | | | | | |
| Computers - software & programming | 3,005,259 | 1,400,190 | - | - | - | **-** | **4,405,449** | (916,672) | - | - | (628,771) | - | **(1,545,443)** | 2,860,006 |
| Water rights | 2,360,000 | - | - | - | - | **-** | **2,360,000** | - | - | - | - | - | **-** | 2,360,000 |
| | **5,365,259** | **1,400,190** | **-** | **-** | **-** | **-** | 6,765,449 | **(916,672)** | **-** | **-** | **(628,771)** | **-** | (1,545,443) | **5,220,006** |
| **Investment properties** | | | | | | | | | | | | | | |
| Investment property | 175,866,200 | 795,000 | - | (4,300,000) | - | **(7,860,700)** | **164,500,500** | - | - | - | - | - | **-** | 164,500,500 |
| | **175,866,200** | **795,000** | **-** | **(4,300,000)** | **-** | (7,860,700) | 164,500,500 | **-** | **-** | **-** | **-** | **-** | **-** | **164,500,500** |
| **Total** | | | | | | | | | | | | | | |
| Land and buildings | 480,035,973 | 10,579,206 | - | 1,056,335 | - | **-** | **491,671,514** | (21,822,815) | - | - | (5,608,489) | - | **(27,431,304)** | 464,240,210 |
| Infrastructure | 5,065,867,781 | 104,674,186 | (47,969,977) | (1,056,335) | - | **-** | **5,121,515,655** | (2,630,009,669) | 32,565,018 | - | (85,101,275) | - | **(2,682,545,926)** | 2,438,969,729 |
| Community Assets | 91,462,841 | 6,992,240 | - | - | - | **-** | **98,455,081** | (32,680,117) | - | - | (2,960,607) | - | **(35,640,724)** | 62,814,357 |
| Heritage assets | 108,823,044 | - | - | (1,069) | - | **-** | **108,821,975** | (9,250,000) | - | - | - | - | **(9,250,000)** | 99,571,975 |
| Other assets | 75,122,261 | 6,489,406 | (1,627,431) | - | - | **-** | **79,984,236** | (30,429,450) | 967,029 | - | (5,061,787) | - | **(34,524,208)** | 45,460,028 |
| Intangible assets | 5,365,259 | 1,400,190 | - | - | - | **-** | **6,765,449** | (916,672) | - | - | (628,771) | - | **(1,545,443)** | 5,220,006 |
| Investment properties | 175,866,200 | 795,000 | - | (4,300,000) | - | **(7,860,700)** | **164,500,500** | - | - | - | - | - | **-** | 164,500,500 |
| | **6,002,543,359** | **130,930,228** | **(49,597,408)** | **(4,301,069)** | **-** | (7,860,700) | 6,071,714,410 | **(2,725,108,723)** | **33,532,047** | **-** | **(99,360,929)** | **-** | (2,790,937,605) | **3,280,776,805** |

# Appendix C

June 2014

## Segmental analysis of property, plant and equipment as at 30 June 2014

| | Cost/Revaluation | | | | | | | Accumulated Depreciation | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening Balance Rand | Additions Rand | Disposals Rand | Transfers Rand | Revaluations Rand | Fair value adjustment Rand | Closing Balance Rand | Opening Balance Rand | Disposals Rand | Transfers Rand | Depreciation Rand | Impairment deficit Rand | Closing Balance Rand | Carrying value Rand |
| **Municipality** | | | | | | | | | | | | | | |
| Executive & Council/Mayor and Council | 108,823,044 | - | - | (1,069) | - | **-** | **108,821,975** | (9,250,000) | - | - | - | - | **(9,250,000)** | 99,571,975 |
| Planning and Development/Economic Development/Plan | 175,866,200 | 795,000 | - | (4,300,000) | - | **(7,860,700)** | **164,500,500** | - | - | - | - | - | **-** | 164,500,500 |
| Waste Management | 756,849,263 | 14,043,487 | (6,974,665) | - | - | **-** | **763,918,085** | (340,524,045) | 6,128,444 | - | (16,424,428) | - | **(350,820,029)** | 413,098,056 |
| Comm. & Social/Libraries and archives | 480,035,973 | 10,579,206 | - | 1,056,335 | - | **-** | **491,671,514** | (21,822,815) | - | - | (5,608,489) | - | **(27,431,304)** | 464,240,210 |
| Public Safety/Police | 13,509,519 | 591,302 | (1,867,500) | - | - | **-** | **12,233,321** | (9,580,900) | 1,604,643 | - | (606,227) | - | **(8,582,484)** | 3,650,837 |
| Sport and Recreation | 91,462,841 | 6,992,240 | - | - | - | **-** | **98,455,081** | (32,680,117) | - | - | (2,960,607) | - | **(35,640,724)** | 62,814,357 |
| Road Transport/Roads | 1,924,951,260 | 27,015,824 | (2,853,400) | - | - | **-** | **1,949,113,684** | (977,810,021) | 1,174,649 | - | (30,209,737) | - | **(1,006,845,109)** | 942,268,575 |
| Water/Water Distribution | 1,363,783,370 | 24,922,271 | (14,732,236) | (1,056,335) | - | **-** | **1,372,917,070** | (905,135,439) | 11,146,242 | - | (18,974,250) | - | **(912,963,447)** | 459,953,623 |
| Electricity /Electricity Distribution | 1,006,774,369 | 38,101,302 | (21,542,176) | - | - | **-** | **1,023,333,495** | (396,959,264) | 12,511,040 | - | (18,886,633) | - | **(403,334,857)** | 619,998,638 |
| Corporate Services | 80,487,520 | 7,889,596 | (1,627,431) | - | - | **-** | **86,749,685** | (31,346,122) | 967,029 | - | (5,690,558) | - | **(36,069,651)** | 50,680,034 |
| | **6,002,543,359** | **130,930,228** | **(49,597,408)** | **(4,301,069)** | **-** | **(7,860,700)** | **6,071,714,410** | **(2,725,108,723)** | **33,532,047** | **-** | **(99,360,929)** | **-** | **(2,790,937,605)** | **3,280,776,805** |
| **Total** | | | | | | | | | | | | | | |
| Municipality | 6,002,543,359 | 130,930,228 | (49,597,408) | (4,301,069) | - | **(7,860,700)** | **6,071,714,410** | (2,725,108,723) | 33,532,047 | - | (99,360,929) | - | **(2,790,937,605)** | 3,280,776,805 |
| | **6,002,543,359** | **130,930,228** | **(49,597,408)** | **(4,301,069)** | **-** | **(7,860,700)** | **6,071,714,410** | **(2,725,108,723)** | **33,532,047** | **-** | **(99,360,929)** | **-** | **(2,790,937,605)** | **3,280,776,805** |

## Appendix D
June 2014

### Segmental Statement of Financial Performance for the year ended

| Prior Year | | | | Current Year | | |
|---|---|---|---|---|---|---|
| **Actual Income Rand** | **Actual Expenditure Rand** | **Surplus /(Deficit) Rand** | | **Actual Income Rand** | **Actual Expenditure Rand** | **Surplus /(Deficit) Rand** |
| | | | **Municipality** | | | |
| 38,425,068 | 86,147,894 | (47,722,826) | Executive & Council/Mayor and Council | 42,354,898 | 93,079,302 | (50,724,404) |
| 137,401,661 | 51,581,147 | 85,820,514 | Finance & Admin/Finance | 150,786,320 | 57,635,466 | 93,150,854 |
| 7,907,079 | 38,324,924 | (30,417,845) | Planning and Development/Economic Development/Plan | 12,852,886 | 39,550,673 | (26,697,787) |
| 54,740,855 | 69,624,966 | (14,884,111) | Corporate Services | 6,362,541 | 64,154,049 | (57,791,508) |
| 2,538,388 | 25,338,523 | (22,800,135) | Comm. & Social/Libraries and archives | 2,574,476 | 30,255,463 | (27,680,987) |
| 18,644,506 | 5,294,065 | 13,350,441 | Housing | 29,472,584 | 28,674,674 | 797,910 |
| 11,322,355 | 38,873,113 | (27,550,758) | Public Safety/Police | 28,300,262 | 57,384,731 | (29,084,469) |
| 7,761,749 | 19,210,983 | (11,449,234) | Sport and Recreation | 11,427,280 | 18,637,387 | (7,210,107) |
| 64,829 | 6,433,345 | (6,368,516) | Environmental Protection/Pollution Control | 319,465 | 7,305,844 | (6,986,379) |
| 68,766,731 | 56,786,555 | 11,980,176 | Waste Water Management/Sewerage | 65,091,274 | 64,658,929 | 432,345 |
| 10,594,972 | 84,220,177 | (73,625,205) | Road Transport/Roads | 17,789,913 | 92,659,133 | (74,869,220) |
| 96,589,844 | 87,310,140 | 9,279,704 | Water/Water Distribution | 96,086,047 | 99,439,289 | (3,353,242) |
| 249,514,153 | 223,910,168 | 25,603,985 | Electricity /Electricity Distribution | 270,880,440 | 247,858,774 | 23,021,666 |
| 46,919,689 | 46,737,337 | 182,352 | Waste Management | 53,065,957 | 36,085,162 | 16,980,795 |
| **751,191,879** | **839,793,337** | **(88,601,458)** | | **787,364,343** | **937,378,876** | **(150,014,533)** |
| | | | **Other charges** | | | |
| - | (99,500,000) | 99,500,000 | | - | (105,000,000) | 105,000,000 |
| **-** | **(99,500,000)** | **99,500,000** | | **-** | **(105,000,000)** | **105,000,000** |
| 751,191,879 | 839,793,337 | (88,601,458) | Municipality | 787,364,343 | 937,378,876 | (150,014,533) |
| - | (99,500,000) | 99,500,000 | Other charges | - | (105,000,000) | 105,000,000 |
| **751,191,879** | **740,293,337** | **10,898,542** | **Total** | **787,364,343** | **832,378,876** | **(45,014,533)** |

## Appendix E(1)
June 2014

# Actual vs Budget (Revenue and Expenditure) for the period ended 30 June 2014

| | Current year 2014 Act. Bal. Rand | Current year 2014 Adjusted budget Rand | Variance Rand | Var | Explanation of Significant Variances greater than 10% versus Budget |
|---|---|---|---|---|---|
| Revenue | | | | | |
| Property rates | 134,812,632 | 131,155,600 | 3,657,032 | 2.8 | Refer to note 57 |
| Service charges | 479,252,516 | 493,839,540 | (14,587,024) | (3.0) | Refer to note 57 |
| Rental of facilities and equipment | 7,590,838 | 8,550,800 | (959,962) | (11.2) | Refer to note 57 |
| Income from agency services | 2,394,759 | 2,254,500 | 140,259 | 6.2 | Refer to note 57 |
| Licences and permits | 1,955,766 | 2,046,000 | (90,234) | (4.4) | Refer to note 57 |
| Property rates - penalties imposed | 820,635 | 1,000,000 | (179,365) | (17.9) | Refer to note 57 |
| Public contributions | 13,436,150 | 3,693,254 | 9,742,896 | 263.8 | Refer to note 57 |
| Fines | 22,739,348 | 7,528,800 | 15,210,548 | 202.0 | Refer to note 57 |
| Other income - (rollup) | 16,630,507 | 14,868,207 | 1,762,300 | 11.9 | Refer to note 57 |
| Government grants | 105,925,162 | 111,907,469 | (5,982,307) | (5.3) | Refer to note 57 |
| Interest received - investment | 7,617,899 | 8,400,000 | (782,101) | (9.3) | Refer to note 57 |
| Interest received - other | 852,210 | 821,564 | 30,646 | 3.7 | Refer to note 57 |
| | 794,028,422 | 786,065,734 | 7,962,688 | 1.0 | |
| Expenses | | | | | |
| Personnel | (260,644,835) | (252,454,332) | (8,190,503) | 3.2 | Refer to note 57 |
| Remuneration of councillors | (7,932,511) | (7,977,792) | 45,281 | (0.6) | Refer to note 57 |
| Depreciation | (98,732,159) | (102,069,808) | 3,337,649 | (3.3) | Refer to note 57 |
| Amortisation | (628,771) | - | (628,771) | - | Refer to note 57 |
| Finance costs | (39,927,312) | (42,291,500) | 2,364,188 | (5.6) | Refer to note 57 |
| Materials | (13,594,529) | (14,475,226) | 880,697 | (6.1) | Refer to note 57 |
| Bulk purchases | (157,055,063) | (156,892,800) | (162,263) | 0.1 | Refer to note 57 |
| Contracted Services | (72,754,122) | (76,806,076) | 4,051,954 | (5.3) | Refer to note 57 |
| Grants and subsidies paid | (38,749,289) | (39,217,300) | 468,011 | (1.2) | Refer to note 57 |
| General Expenses | (104,934,555) | (135,306,184) | 30,371,629 | (22.4) | Refer to note 57 |
| Debt impairment | (12,525,633) | - | (12,525,633) | (100.0) | Refer to note 57 |
| | (820,004,412) | (827,491,018) | 7,486,606 | (0.9) | |
| Other revenue and costs | | | | | |
| Gain or loss on disposal of assets and liabilities | (12,017,434) | 483,000 | (12,500,434) | ,588.1) | Refer to note 57 |
| Fair value adjustments | (7,021,105) | 750,000 | (7,771,105) | ,036.1) | Refer to note 57 |
| | (19,038,539) | 1,233,000 | (20,271,539) | ,644.1) | |
| Net surplus/ (deficit) for the year | (45,014,529) | (40,192,284) | (4,822,245) | 12.0 | |

## Appendix E(2)
June 2014

# Budget Analysis of Capital Expenditure as at 30 June 2014

| | Capital expenditure Rand | Revised Budget Rand | Variance Rand | Variance % | Explanation of significant variances from budget |
|---|---|---|---|---|---|
| **Municipality** | | | | | |
| Waste Management | 3,040,774 | 3,040,774 | - | **-** | Refer to note 57 |
| Comm. & Social/Libraries and archives | 3,482,157 | 3,652,242 | 170,085 | **5** | Refer to note 57 |
| Housing | 10,403,709 | 14,364,188 | 3,960,479 | **28** | Refer to note 57 |
| Sport and Recreation | 5,695,900 | 5,695,900 | - | **-** | Refer to note 57 |
| Waste Water Management/Sewerage | 10,202,490 | 12,353,413 | 2,150,923 | **17** | Refer to note 57 |
| Road Transport/Roads | 16,051,286 | 16,228,336 | 177,050 | **1** | Refer to note 57 |
| Water/Water Distribution | 23,630,683 | 23,831,730 | 201,047 | **1** | Refer to note 57 |
| Electricity /Electricity Distribution | 36,730,877 | 39,229,483 | 2,498,606 | **6** | Refer to note 57 |
| Corporate Services | 10,734,523 | 11,300,615 | 566,092 | **5** | Refer to note 57 |
| | **119,972,399** | **129,696,681** | **9,724,282** | **7** | |

**Appendix F**
**Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003**
June 2014

| Name of Grants | Name of organ of state or municipal entity | Quarterly Receipts | | | | Quarterly Expenditure | | | | Grants and Subsidies delayed / withheld | | | | Reason for delay/withholding of funds | Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act | Reason for noncompliance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Sep | Dec | Mar | Jun | Sep | Dec | Mar | Jun | Sep | Dec | Mar | Jun | | Yes/ No | |
| FMG | Nat Treasury | 1,300 | - | - | - | 129 | 362 | 84 | 725 | - | - | - | - | N/A | Yes | N/A |
| MSIG | Nat Treasury | 890 | - | - | - | 4 | 6 | 241 | 639 | - | - | - | - | N/A | Yes | N/A |
| MIG | Nat Treasury | 4,095 | 8,677 | 5,983 | - | 1,469 | 3,616 | 5,347 | 8,323 | - | - | - | - | N/A | Yes | N/A |
| NDPG | Nat Treasury | 3,963 | - | - | - | 3,963 | - | - | - | - | - | - | - | N/A | Yes | N/A |
| RBIG | Nat Treasury | - | - | - | - | - | - | - | - | - | - | - | - | N/A | Yes | N/A |
| EPWP | PAWC | 498 | 373 | 373 | - | 186 | 291 | 311 | 456 | - | - | - | - | N/A | Yes | N/A |
| INEG | DME | 3,000 | - | - | - | 219 | 145 | 706 | 1,930 | - | - | - | - | N/A | Yes | N/A |
| Library | PAWC | 302 | 251 | 251 | - | 116 | 166 | 313 | 210 | - | - | - | - | N/A | Yes | N/A |
| Thusong service centre | PAWC | - | - | 218 | - | - | - | - | 218 | - | - | - | - | N/A | Yes | N/A |
| Prov road subsidy | PAWC | - | - | 2,651 | - | - | - | 2,083 | 1,230 | - | - | - | - | N/A | Yes | N/A |
| HCE | PAWC | - | - | - | - | 6 | 4 | 2 | 36 | - | - | - | - | N/A | Yes | N/A |
| Social housing | PAWC | 595 | 12,983 | 2,428 | 10,390 | 2,073 | 7,218 | 6,483 | 8,240 | - | - | - | - | N/A | Yes | N/A |
| Mobility strategy | PAWC | - | - | - | - | - | - | - | 106 | - | - | - | - | N/A | Yes | N/A |
| PTI | PAWC | - | - | 982 | - | 424 | 482 | 76 | - | - | - | - | - | N/A | Yes | N/A |
| Sport and recreation | PAWC | 100 | - | - | - | - | 29 | - | 71 | - | - | - | - | N/A | Yes | N/A |
| CDW | PAWC | - | - | 49 | - | - | - | 18 | 31 | - | - | - | - | N/A | Yes | N/A |
| FMSG | Nat Treasury | - | - | 800 | - | - | - | - | 156 | - | - | - | - | N/A | Yes | N/A |
| Nelson Mandela memorial | PAWC | - | 100 | - | - | - | - | 58 | 42 | - | - | - | - | N/A | Yes | N/A |
| Greenest town competition | PAWC | - | - | 50 | - | - | - | - | 12 | - | - | - | - | N/A | Yes | N/A |
| | | 14,743 | 22,384 | 13,785 | 10,390 | 8,589 | 12,319 | 15,722 | 22,425 | - | - | - | - | | | |

Note: Above values are presented to the nearest R'000.